

ATA Inc.  
Form SC 13D/A  
August 17, 2018

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

Under the Securities Exchange Act of 1934  
(Amendment No. 5)\*

**ATA Inc.**

(Name of Issuer)

**Common Shares, \$0.01 par value per share \*\***

**American Depositary Shares**

(Title of Class of Securities)

**00211V106\*\*\***

(CUSIP Number)

**Attn: Kevin Xiaofeng Ma**

**1/F East Gate, Building No. 2, Jian Wai Soho,**

**No. 39 Dong San Huan Zhong Road,**

**Chao Yang District, Beijing 100022, China**

**++86 10 6518 1122-5518**

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

**August 16, 2018**

Edgar Filing: ATA Inc. - Form SC 13D/A

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box o.

*Note.* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. *See* Rule §240.13d-7(b) for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page

\*\* Not for trading, but in connection with the registration of American Depositary Shares, each representing 2 Common Shares.

\*\*\* CUSIP number of the American Depositary Shares.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 (the "Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

---

## SCHEDULE 13D

CUSIP No. 00211V106

- 1** Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)
- Kevin Xiaofeng Ma
- 2** Check the Appropriate Box if a Member of a Group\*  
(a)  o  
(b)  x
- 3** SEC Use Only
- 4** Source of Funds (See Instructions)  
**OO**
- 5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o
- 6** Citizenship or Place of Organization  
People's Republic of China
- |              |           |                                       |
|--------------|-----------|---------------------------------------|
|              | <b>7</b>  | Sole Voting Power                     |
| Number of    |           | 0                                     |
| Shares       | <b>8</b>  | Shared Voting Power                   |
| Beneficially |           | 24,693,393 Common Shares <sup>1</sup> |
| Owned by     | <b>9</b>  | Sole Dispositive Power                |
| Each         |           | 0                                     |
| Reporting    | <b>10</b> | Shared Dispositive Power              |
| Person With  |           | 24,693,393 Common Shares <sup>1</sup> |
- 11** Aggregate Amount Beneficially Owned by Each Reporting Person  
24,693,393 Common Shares<sup>1</sup>
- 12** Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o
- 13** Percent of Class Represented by Amount in Row (11)  
51.7%<sup>2</sup>
- 14** Type of Reporting Person (See Instructions)  
**IN**

---

<sup>1</sup> Includes (i) (a) 165,236 Common Shares and (b) options to purchase 1,102,095 Common Shares held by Kevin Xiaofeng Ma, (ii) 4,998,988 Common Shares held by Able Knight Development Limited ( "Able Knight" ), and (iii) 18,427,074 Common Shares held by Joingear Limited. Able Knight is a British Virgin Islands company wholly owned by Precious Time Holdings Limited and ultimately wholly owned by HSBC International Trustee Limited as trustee of an irrevocable trust constituted under the laws of the Cayman Islands with Kevin Xiaofeng Ma as the settlor and certain family members of Kevin Xiaofeng Ma as the beneficiaries. Kevin Xiaofeng Ma is the sole director of Able Knight. The business address of Able Knight is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands. Joingear Limited is a British Virgin Islands company with 50.01% and 49.99% of its issued and outstanding share capital owned by Kevin Xiaofeng Ma and ChineseAll Group Limited, respectively. Kevin Xiaofeng Ma and Zhilei Tong are directors of Joingear Limited. The business address of Joingear Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

<sup>2</sup> Percentage calculated based on 47,754,386 outstanding Common Shares as of April 5, 2018 as disclosed in the Issuer's transition report on Form 20-F filed with the Securities Exchange and Commission on April 12, 2018.



**CUSIP No.** **00211V106**

**1** Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)

Able Knight Development Limited

**2** Check the Appropriate Box if a Member of a Group\*  
(a)  o  
(b)  x

**3** SEC Use Only

**4** Source of Funds (See Instructions)  
N/A

**5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o

**6** Citizenship or Place of Organization  
British Virgin Islands

Number of	<b>7</b>	Sole Voting Power
Shares		0
Beneficially	<b>8</b>	Shared Voting Power
Owned by		4,998,988 Common Shares <sup>1</sup>
Each	<b>9</b>	Sole Dispositive Power
Reporting		0
Person With	<b>10</b>	Shared Dispositive Power
		4,998,988 Common Shares <sup>1</sup>

**11** Aggregate Amount Beneficially Owned by Each Reporting Person  
4,998,988 Common Shares<sup>1</sup>

**12** Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o

**13** Percent of Class Represented by Amount in Row (11)  
10.5%<sup>2</sup>

**14** Type of Reporting Person (See Instructions)  
CO

---

<sup>1</sup> Includes 4,998,988 Common Shares held by Able Knight. Able Knight is a British Virgin Islands company wholly owned by Precious Time Holdings Limited and ultimately wholly owned by HSBC International Trustee Limited as trustee of an irrevocable trust constituted under the laws of the Cayman Islands with Kevin Xiaofeng Ma as the settlor and certain family members of Kevin Xiaofeng Ma as the beneficiaries. Kevin Xiaofeng Ma is the sole director of Able Knight. The business address of Able Knight is Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands.

<sup>2</sup> Percentage calculated based on 47,754,386 outstanding Common Shares as of April 5, 2018 as disclosed in the Issuer's transition report on Form 20-F filed with the Securities Exchange and Commission on April 12, 2018.

**CUSIP No.** **00211V106**

**1** Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)

Precious Time Holdings Limited

**2** Check the Appropriate Box if a Member of a Group\*  
(a)  o  
(b)  x

**3** SEC Use Only

**4** Source of Funds (See Instructions)  
N/A

**5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o

**6** Citizenship or Place of Organization  
British Virgin Islands

Number of	<b>7</b>	Sole Voting Power
Shares		0
Beneficially	<b>8</b>	Shared Voting Power
Owned by		4,998,988 Common Shares <sup>1</sup>
Each	<b>9</b>	Sole Dispositive Power
Reporting		0
Person With	<b>10</b>	Shared Dispositive Power
		4,998,988 Common Shares <sup>1</sup>

**11** Aggregate Amount Beneficially Owned by Each Reporting Person  
4,998,988 Common Shares<sup>1</sup>

**12** Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o

**13** Percent of Class Represented by Amount in Row (11)  
10.5% <sup>2</sup>

**14** Type of Reporting Person (See Instructions)  
CO

---

<sup>1</sup> Includes 4,998,988 Common Shares held by Able Knight. Able Knight is a British Virgin Islands company wholly owned by Precious Time Holdings Limited and ultimately wholly owned by HSBC International Trustee Limited as trustee of an irrevocable trust constituted under the laws of the Cayman Islands with Kevin Xiaofeng Ma as the settlor and certain family members of Kevin Xiaofeng Ma as the beneficiaries. The business address of Precious Time Holding Limited is Woodbourne Hall, P.O. Box 916, Road Town, Tortola, British Virgin Islands.

<sup>2</sup> Percentage calculated based on 47,754,386 outstanding Common Shares as of April 5, 2018 as disclosed in the Issuer's transition report on Form 20-F filed with the Securities Exchange and Commission on April 12, 2018.

**CUSIP No.**

**00211V106**

- 1** Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)
- Ma Family Trust
- 2** Check the Appropriate Box if a Member of a Group\*  
(a)  o  
(b)  x
- 3** SEC Use Only
- 4** Source of Funds (See Instructions)  
N/A
- 5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o
- 6** Citizenship or Place of Organization  
Cayman Islands
- |              |           |                                      |
|--------------|-----------|--------------------------------------|
| Number of    | <b>7</b>  | Sole Voting Power                    |
| Shares       |           | 0                                    |
| Beneficially | <b>8</b>  | Shared Voting Power                  |
| Owned by     |           | 4,998,988 Common Shares <sup>1</sup> |
| Each         | <b>9</b>  | Sole Dispositive Power               |
| Reporting    |           | 0                                    |
| Person With  | <b>10</b> | Shared Dispositive Power             |
|              |           | 4,998,988 Common Shares <sup>1</sup> |
- 11** Aggregate Amount Beneficially Owned by Each Reporting Person  
4,998,988 Common Shares<sup>1</sup>
- 12** Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o
- 13** Percent of Class Represented by Amount in Row (11)  
10.5% <sup>2</sup>
- 14** Type of Reporting Person (See Instructions)  
**OO**

---

<sup>1</sup> Includes 4,998,988 Common Shares held by Able Knight. Able Knight is a British Virgin Islands company wholly owned by Precious Time Holdings Limited and ultimately wholly owned by HSBC International Trustee Limited as trustee of an irrevocable trust constituted under the laws of the Cayman Islands with Kevin Xiaofeng Ma as the settlor and certain family members of Kevin Xiaofeng Ma as the beneficiaries. The business address of Ma Family Trust is 21 Collyer Quay #19-01, HSBC Building, Singapore 049320.

<sup>2</sup> Percentage calculated based on 47,754,386 outstanding Common Shares as of April 5, 2018 as disclosed in the Issuer's transition report on Form 20-F filed with the Securities Exchange and Commission on April 12, 2018.

CUSIP No. 00211V106

- 1** Names of Reporting Persons  
I.R.S. Identification Nos. of Above Persons (Entities Only)
- Joingear Limited
- 2** Check the Appropriate Box if a Member of a Group\*  
(a)  o  
(b)  x
- 3** SEC Use Only
- 4** Source of Funds (See Instructions)  
**OO**
- 5** Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)  o
- 6** Citizenship or Place of Organization  
British Virgin Islands
- |  |           |                                       |
|--|-----------|---------------------------------------|
| Number of Shares                                 | <b>7</b>  | Sole Voting Power                     |
|  |           | 0                                     |
| Beneficially Owned by Each Reporting Person With | <b>8</b>  | Shared Voting Power                   |
|  |           | 18,427,074 Common Shares <sup>1</sup> |
|  | <b>9</b>  | Sole Dispositive Power                |
|  |           | 0                                     |
|  | <b>10</b> | Shared Dispositive Power              |
|  |           | 18,427,074 Common Shares <sup>1</sup> |
- 11** Aggregate Amount Beneficially Owned by Each Reporting Person  
18,427,074 Common Shares<sup>1</sup>
- 12** Check Box if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)  o
- 13** Percent of Class Represented by Amount in Row (11)  
38.6% <sup>2</sup>
- 14** Type of Reporting Person (See Instructions)  
**CO**

---

<sup>1</sup> Includes 18,427,074 Common Shares held by Joingear Limited. Joingear Limited is a British Virgin Islands company with 50.01% and 49.99% of its issued and outstanding share capital owned by Kevin Xiaofeng Ma and ChineseAll Group Limited, respectively. Kevin Xiaofeng Ma and Zhilei Tong are directors of Joingear Limited. The business address of Joingear Limited is OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands.

<sup>2</sup> Percentage calculated based on 47,754,386 outstanding Common Shares as of April 5, 2018 as disclosed in the Issuer's transition report on Form 20-F filed with the Securities Exchange and Commission on April 12, 2018.



This Amendment No. 5 (this Amendment No. 5) amends the Statement of Beneficial Ownership on Schedule 13D originally filed with the Securities and Exchange Commission (the Commission) on November 20, 2015 and as amended by Amendment No. 1, Amendment No. 2, Amendment No. 3 and Amendment No. 4 filed with the Commission on March 23, 2016, August 30, 2017 February 8, 2018 and June 29, 2018, respectively (the Schedule 13D) by the Reporting Persons with respect to common shares, par value \$0.01 per share (the Common Shares), and American Depositary Shares, each representing two Common Shares (the ADS), issued by ATA Inc. (the Issuer). Except as specifically provided herein, this Amendment No. 5 does not modify any of the information previously reported in the Schedule 13D. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Schedule 13D, unless otherwise defined herein.

#### **Item 4. Purpose of Transaction**

Item 4 of the Schedule 13D is hereby supplemented to add the following information:

On August 6, 2018, Mr. Kevin Xiaofeng Ma, together with New Beauty Holdings Limited (New Beauty Holdings), a company controlled by Mr. Kevin Xiaofeng Ma, entered into a loan agreement with Haitong International Investment Solutions Limited (Haitong), pursuant to which New Beauty Holdings borrowed a term loan in principal amount of US\$40,000,000 from Haitong (Haitong Loan Agreement). Mr. Kevin Xiaofeng Ma acted as the guarantor for all of the obligations of New Beauty Holdings under Haitong Loan Agreement. The proceeds from the loan was used to pay part of the considerations for the Third Closing under the Share Purchase Agreement.

On August 7, 2018, New Beauty Holdings, among others, entered into a facility agreement with Bank of Shanghai (Hong Kong) Limited (BOSHK), pursuant to which New Beauty Holdings borrowed a term loan in principal amount of US\$32,000,000 from BOSHK (BOSHK Loan Agreement). The proceeds from the loan was used to pay part of the considerations for the Third Closing under the Share Purchase Agreement.

On August 7, 2018, New Beauty Holdings issued a promissory note in principal amount of US\$10,000,000 to the CDH Lender (the Second Note), pursuant to the Note Purchase Agreement. The proceeds from the issuance of the Second Note was used to pay part of the considerations for the Third Closing under the Share Purchase Agreement.

The Third Closing under the Share Purchase Agreement was consummated on August 16, 2018.

The summary contained herein of Haitong Loan Agreement, BOSHK Loan Agreement and the Second Note is not intended to be complete and is qualified in its entirety by reference to the full text of Haitong Loan Agreement, BOSHK Loan Agreement and the Second Note, copies of which are filed as Exhibit T, U and V hereto, respectively, and which are incorporated herein by reference.

#### **Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer**

Item 6 of the Schedule 13D is hereby supplemented by adding the following at the end thereof:

The descriptions in Item 4 herein of the Amendment No. 5 are incorporated herein by reference.

**Item 7. Material to Be Filed as Exhibits**

Item 7 of the Schedule 13D is hereby supplemented by adding the following exhibits:

- Exhibit T            Loan Agreement, dated as of August 6, 2018 by and among Mr. Kevin Xiaofeng Ma, New Beauty Holdings and Haitong International Investment Solutions Limited.
- Exhibit U            Facility Agreement, dated as of August 7, 2018, by and among New Beauty Holdings, Able Knight Development Limited, Mutual Step Holdings Limited, Art Grace Development Limited, Art Kind Technology Limited, Joy Spread Development Limited and Bank of Shanghai (Hong Kong) Limited.
- Exhibit V            Promissory Note, dated as of August 7, 2018, by and between New Beauty Holdings and Crystal Magic Brands Limited.

**Signature**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 17, 2018

Kevin Xiaofeng Ma

By: /s/ Kevin Xiaofeng  
Ma

Able Knight Development Limited

By: /s/ Kevin Xiaofeng  
Ma

Name: Kevin Xiaofeng Ma  
Title: Director

Precious Time Holdings Limited

By: /s/ Jamie Yu &  
Agatha Chee  
Name: Jamie Yu & Agatha Chee  
Title: Authorized Signatories of  
Lion International  
Management Limited as  
director

Ma Family Trust

By: /s/ Jamie Yu &  
Agatha Chee  
Name: Jamie Yu & Agatha Chee  
Title: Authorized Signatories of  
HSBC International  
Trustee Limited as trustee  
of the Ma Family Trust

Joingear Limited

By: /s/ Kevin Xiaofeng  
Ma

Edgar Filing: ATA Inc. - Form SC 13D/A

Name: Kevin Xiaofeng Ma

bsp;

Cell sites in service		6,383		6,255		6,140		6,004		5,925
Average monthly revenue per unit (3)	\$	52.46	\$	52.71	\$	50.42	\$	48.69	\$	48.15
Retail service revenue per unit (3)	\$	45.36	\$	45.00	\$	43.87	\$	42.69	\$	42.21
Inbound roaming revenue per unit (3)	\$	3.09	\$	3.36	\$	2.68	\$	2.33	\$	2.34
Long-distance/other revenue per unit (3)	\$	4.01	\$	4.35	\$	3.87	\$	3.67	\$	3.60
Minutes of use (MOU) (4)		906		887		858		783		749
Retail postpay churn rate per month (5)		1.5%		1.6%		1.4%		1.3%		1.5%
Construction Expenditures (000s)	\$	188,100	\$	130,600	\$	137,100	\$	109,700	\$	158,400

(1) Total population of consolidated markets and Total population of consolidated operating markets are used only for the purposes of calculating market penetration of consolidated operating markets, which is calculated by dividing customers by the total market population (without duplication of population in overlapping markets). Effective with this report, U.S. Cellular is expanding its reporting of total population to include the population of its consolidated operating markets - i.e., markets in which U.S. Cellular provides wireless service to customers - in order to reflect its market penetration more accurately. Historically, total population has been reported only for total consolidated markets, regardless of whether U.S. Cellular was providing wireless services in those markets.

(2) Calculated by dividing the number of wireless customers at the end of the period by the total population of consolidated markets and consolidated operating markets, respectively, as estimated by Claritas.

(3) Per unit revenue measurements are derived from service revenues as reported in Financial Highlights for each respective quarter as follows:

Service Revenues per Financial Highlights	\$	957,896	\$	954,540	\$	906,218	\$	860,583	\$	831,663
Components:										
Retail service revenue during quarter	\$	828,169	\$	814,948	\$	788,535	\$	754,515	\$	729,072
Inbound roaming revenue during quarter	\$	56,358	\$	60,843	\$	48,084	\$	41,268	\$	40,354
Long-distance/other revenue during quarter	\$	73,369	\$	78,749	\$	69,599	\$	64,800	\$	62,237
Divided by average customers during quarter (000s)		6,086		6,036		5,991		5,892		5,757
Divided by three months in each quarter		3		3		3		3		3
Average monthly revenue per unit	\$	52.46	\$	52.71	\$	50.42	\$	48.69	\$	48.15
Retail service revenue per unit	\$	45.36	\$	45.00	\$	43.87	\$	42.69	\$	42.21
Inbound roaming revenue per unit	\$	3.09	\$	3.36	\$	2.68	\$	2.33	\$	2.34
Long-distance/other revenue per unit	\$	4.01	\$	4.35	\$	3.87	\$	3.67	\$	3.60

(4) Average monthly local minutes of use per customer (without roaming.)

(5) Retail postpay churn rate per month is calculated by dividing the total monthly retail postpay customer disconnects during the quarter by the average retail postpay customer base for the quarter.

## TELEPHONE AND DATA SYSTEMS, INC.

## SUMMARY OPERATING DATA

Quarter Ended	12/31/2007	9/30/2007	6/30/2007	3/31/2007	12/31/2006
<b>TDS Telecom</b>					
<b>ILEC:</b>					
Access line equivalents (1)	762,700	763,000	761,200	763,400	757,300
Access lines	585,600	595,100	601,600	610,300	616,500
Dial-up Internet service accounts	56,300	61,300	65,800	71,100	77,100
Digital Subscriber Lines (DSL) customers	143,500	135,500	127,400	118,000	105,100
Long Distance customers	345,200	346,400	346,500	343,800	340,000
Construction Expenditures (000s)	\$ 41,300	\$ 23,500	\$ 30,900	\$ 16,100	\$ 39,400
<b>CLEC:</b>					
Access line equivalents (1)	435,000	443,700	448,400	456,200	456,200
Dial-up Internet service accounts	7,600	8,200	8,800	10,200	10,200
Percent of access lines on-switch	94.0%	93.9%	93.7%	93.3%	93.0%
Digital Subscriber Lines (DSL) customers	43,300	43,600	43,800	42,600	42,100
Construction Expenditures (000s)	\$ 5,700	\$ 3,400	\$ 4,800	\$ 2,500	\$ 5,700

(1) Equivalent access lines are the sum of physical access lines and high-capacity data lines adjusted to estimate the equivalent number of physical access lines in terms of capacity. A physical access line is the individual circuit connecting a customer to a telephone company's central office facilities.

## TELEPHONE AND DATA SYSTEMS, INC.

## FINANCIAL HIGHLIGHTS

Three Months Ended December 31,

(Unaudited, dollars and shares in thousands, except per share amounts)

			Increase (Decrease)	
			Amount	Percent
	2007	2006		
<b>Operating Revenues</b>				
U.S. Cellular	\$ 1,024,110	\$ 902,119	\$ 121,991	13.5%
TDS Telecom	211,656	218,277	(6,621)	(3.0)%
All Other (1)	6,942	4,288	2,654	61.9%
	1,242,708	1,124,684	118,024	10.5%
<b>Operating Expenses</b>				
U.S. Cellular				
Expenses excluding depreciation, amortization and accretion	771,608	692,813	78,795	11.4%
Depreciation, amortization and accretion	142,279	138,246	4,033	2.9%
Loss on asset disposals/exchanges	46,958	7,415	39,543	N/M
	960,845	838,474	122,371	14.6%
TDS Telecom				
Expenses excluding depreciation, amortization and accretion	136,422	151,881	(15,459)	(10.2)%
Depreciation, amortization and accretion	40,639	40,497	142	0.4%
	177,061	192,378	(15,317)	(8.0)%
All Other (1)				
Expenses excluding depreciation and amortization	4,478	5,301	(823)	(15.5)%
Depreciation and amortization	3,667	622	3,045	N/M
	8,145	5,923	2,222	37.5%
Total Operating Expenses	1,146,051	1,036,775	109,276	10.5%
<b>Operating Income (Loss)</b>				
U.S. Cellular	63,265	63,645	(380)	(0.6)%
TDS Telecom	34,595	25,899	8,696	33.6%
All Other (1)	(1,203)	(1,635)	432	26.4%
	96,657	87,909	8,748	10.0%
<b>Investment and Other Income (Expense)</b>				
Equity in earnings of unconsolidated entities	20,437	28,794	(8,357)	(29.0)%
Interest and dividend income	16,784	20,293	(3,509)	(17.3)%
Fair value adjustment of derivative instruments	(194,497)	(322,406)	127,909	39.7%
Gain on investments	46,213	70,428	(24,215)	(34.4)%
Interest expense	(45,960)	(57,358)	11,398	19.9%
Other, net	(1,444)	(844)	(600)	(71.1)%
	(158,467)	(261,093)	102,626	39.3%
<b>(Loss) Before Income Taxes and Minority Interest</b>	(61,810)	(173,184)	111,374	64.3%
Income tax (benefit)	(14,791)	(68,787)	53,996	78.5%
<b>(Loss) Before Minority Interest</b>	(47,019)	(104,397)	57,378	55.0%
Minority share of income	(9,304)	(11,839)	2,535	21.4%
<b>Net (Loss)</b>	(56,323)	(116,236)	59,913	51.5%
Preferred dividend requirement	(13)	(13)		0.0%
<b>Net (Loss) Available to Common</b>	\$ (56,336)	\$ (116,249)	\$ 59,913	51.5%
<b>Basic Weighted Average Common Shares Outstanding</b>				
	117,914	116,335	1,579	1.4%
<b>Basic (Loss) Per Share</b>	\$ (0.48)	\$ (1.00)	\$ 0.52	52.0%



Edgar Filing: ATA Inc. - Form SC 13D/A

<b>Diluted Weighted Average Common Shares Outstanding</b>	117,914	116,335	1,579	1.4%
<b>Diluted (Loss) Per Share</b>	\$ (0.48)	\$ (1.00)	\$ 0.52	52.0%

---

(1) Consists of Suttle Straus printing and distribution operations and intercompany eliminations.

N/M - Percentage change not meaningful

## TELEPHONE AND DATA SYSTEMS, INC.

## FINANCIAL HIGHLIGHTS

Year Ended December 31,

(Unaudited, dollars and shares in thousands, except per share amounts)

	2007	2006	Increase (Decrease)	
			Amount	Percent
<b>Operating Revenues</b>				
U.S. Cellular	\$ 3,946,264	\$ 3,473,155	\$ 473,109	13.6%
TDS Telecom	860,211	875,918	(15,707)	(1.8)%
All Other (1)	22,509	15,445	7,064	45.7%
	4,828,984	4,364,518	464,466	10.6%
<b>Operating Expenses</b>				
U.S. Cellular				
Expenses excluding depreciation, amortization and accretion	2,912,939	2,608,147	304,792	11.7%
Depreciation, amortization and accretion	582,269	555,525	26,744	4.8%
Loss on asset disposals/exchanges	54,857	19,587	35,270	N/M
	3,550,065	3,183,259	366,806	11.5 %
TDS Telecom				
Expenses excluding depreciation, amortization and accretion	561,547	587,450	(25,903)	(4.4)%
Depreciation, amortization and accretion	157,462	159,612	(2,150)	(1.3)%
	719,009	747,062	(28,053)	(3.8)%
All Other (1)				
Expenses excluding depreciation and amortization	19,524	18,666	858	4.6%
Depreciation and amortization	12,488	2,754	9,734	N/M
	32,012	21,420	10,592	49.4%
Total Operating Expenses	4,301,086	3,951,741	349,345	8.8%
<b>Operating Income (Loss)</b>				
U.S. Cellular	396,199	289,896	106,303	36.7%
TDS Telecom	141,202	128,856	12,346	9.6%
All Other (1)	(9,503)	(5,975)	(3,528)	(59.0)%
	527,898	412,777	115,121	27.9 %
<b>Investment and Other Income (Expense)</b>				
Equity in earnings of unconsolidated entities	91,831	95,170	(3,339)	(3.5)%
Interest and dividend income	199,435	194,644	4,791	2.5%
Fair value adjustment of derivative instruments	(351,570)	(299,525)	(52,045)	(17.4)%
Gain on investments	432,993	161,846	271,147	N/M
Interest expense	(208,736)	(234,543)	25,807	11.0%
Other, net	(6,401)	(7,031)	630	9.0%
	157,552	(89,439)	246,991	N/M
<b>Income Before Income Taxes and Minority Interest</b>	685,450	323,338	362,112	N/M
Income tax expense	269,054	116,459	152,595	N/M
<b>Income Before Minority Interest</b>	416,396	206,879	209,517	N/M
Minority share of income	(73,111)	(45,120)	(27,991)	(62.0)%
<b>Income Before Extraordinary Item</b>	343,285	161,759	181,526	N/M
Extraordinary item, net of taxes	42,827		42,827	N/M
<b>Net Income</b>	386,112	161,759	224,353	N/M
Preferred dividend requirement	(52)	(165)	113	68.5%
<b>Net Income Available to Common</b>	\$ 386,060	\$ 161,594	\$ 224,466	N/M

Edgar Filing: ATA Inc. - Form SC 13D/A

<b>Basic Weighted Average Common Shares Outstanding</b>	117,624	115,904	1,720	1.5%
<b>Basic Earnings Per Share</b>				
Income before extraordinary item	\$ 2.92	\$ 1.39	\$ 1.53	N/M
Extraordinary item	0.36		0.36	N/M
	\$ 3.28	\$ 1.39	\$ 1.89	N/M
<b>Diluted Weighted Average Common Shares Outstanding</b>				
<b>Diluted Weighted Average Common Shares Outstanding</b>	119,126	116,844	2,282	2.0%
<b>Diluted Earnings Per Share</b>				
Income before extraordinary item	\$ 2.86	\$ 1.37	\$ 1.49	N/M
Extraordinary item	0.36		0.36	N/M
	\$ 3.22	\$ 1.37	\$ 1.85	N/M

---

(1) Consists of Suttle Straus printing and distribution operations and intercompany eliminations.

N/M - Percentage change not meaningful

**TELEPHONE AND DATA SYSTEMS, INC.**  
**CONSOLIDATED BALANCE SHEET HIGHLIGHTS**

(Unaudited, dollars in thousands)

	December 31, 2007	December 31, 2006
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,174,446	\$ 1,013,325
Marketable equity securities	1,917,893	1,205,344
Accounts receivable from customers and other	530,421	520,167
Inventory	115,818	128,981
Other current assets	137,010	105,267
	3,875,588	2,973,084
<b>Investments</b>		
Licenses	1,516,629	1,520,407
Goodwill	679,129	647,853
Customer lists	25,851	26,196
Marketable equity securities	1	1,585,286
Investments in unconsolidated entities	206,418	197,636
Other investments	11,508	11,073
	2,439,536	3,988,451
<b>Property, Plant and Equipment, net</b>		
U.S. Cellular	2,595,096	2,628,848
TDS Telecom	900,267	920,350
Other	29,739	32,188
	3,525,102	3,581,386
<b>Other Assets and Deferred Charges</b>	53,917	56,593
<b>Total Assets</b>	\$ 9,894,143	\$ 10,599,514
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>Current Liabilities</b>		
Prepaid forward contracts	\$ 1,005,512	\$ 738,408
Current portion of long-term debt	3,860	2,917
Derivative liability	711,692	359,970
Notes payable		35,000
Accounts payable	308,882	294,932
Customer deposits and deferred revenues	166,191	141,164
Accrued taxes	40,439	38,324
Accrued compensation	91,703	72,804
Net deferred income tax liability	327,162	236,397
Other current liabilities	144,078	164,815
	2,799,519	2,084,731
<b>Deferred Liabilities and Credits</b>		
Net deferred income tax liability	555,593	950,348
Derivative liability		393,776

Edgar Filing: ATA Inc. - Form SC 13D/A

Other deferred liabilities and credits	328,070	369,045
	883,663	1,713,169
<b>Long-term Debt</b>	1,632,226	2,620,609
<b>Minority Interest in Subsidiaries</b>	651,537	609,722
<b>Preferred Shares</b>	860	863
<b>Common Stockholders Equity</b>		
Common Shares, \$.01 par value	566	566
Special Common Shares, \$.01 par value	629	629
Series A Common Shares, \$.01 par value	64	64
Capital in excess of par value	2,048,110	1,992,597
Treasury Shares, at cost		
Common Shares	(120,544)	(187,103)
Special Common Shares	(204,914)	(187,016)
Accumulated other comprehensive income	511,776	522,113
Retained earnings	1,690,651	1,428,570
	3,926,338	3,570,420
<b>Total Liabilities and Stockholders Equity</b>	\$ 9,894,143	\$ 10,599,514

**BALANCE SHEET HIGHLIGHTS****DECEMBER 31, 2007**

(Unaudited, dollars in thousands)

	U.S. Cellular	TDS Telecom	TDS Corporate & Other	Intercompany Eliminations	TDS Consolidated
Cash and cash equivalents	\$ 204,533	\$ 379,007	\$ 590,906	\$	\$ 1,174,446
Affiliated cash investments		737,889		(737,889)	
Marketable equity securities	16,352		1,901,541		1,917,893
Notes receivable affiliates			270,582	(270,582)	
	\$ 220,885	\$ 1,116,896	\$ 2,763,029	\$ (1,008,471)	\$ 3,092,339
Licenses, goodwill and customer lists	\$ 1,989,137	\$ 401,711	\$ (169,239)	\$	\$ 2,221,609
Marketable equity securities			1		1
Investment in unconsolidated entities	157,693	3,677	50,618	(5,570)	206,418
Other investments	4,422	3,277	3,809		11,508
	\$ 2,151,252	\$ 408,665	\$ (114,811)	\$ (5,570)	\$ 2,439,536
Property, Plant and Equipment, net	\$ 2,595,096	\$ 900,267	\$ 29,739	\$	\$ 3,525,102
Notes payable: cash management			737,889	(737,889)	
intercompany		270,582		(270,582)	
	\$	\$ 270,582	\$ 737,889	\$ (1,008,471)	\$
Forward contracts (all current)	\$	\$	\$ 1,005,512	\$	\$ 1,005,512
Long-term Debt:					
Current portion	\$	\$ 474	\$ 3,386	\$	\$ 3,860
Non-current portion	1,002,293	3,114	626,819		1,632,226
Total	\$ 1,002,293	\$ 3,588	\$ 630,205	\$	\$ 1,636,086
Preferred Shares	\$	\$	\$ 860	\$	\$ 860
Construction expenditures:					
Quarter ended 12/31/07	\$ 188,096	\$ 47,039	\$ 1,412	\$	\$ 236,547
Year ended 12/31/07	\$ 565,495	\$ 128,180	\$ 5,891	\$	\$ 699,566

**TDS Telecom Highlights****Three Months Ended December 31,**

(Unaudited, dollars in thousands)

	2007		2006		Increase (Decrease)	
					Amount	Percent
<b>Local Telephone Operations</b>						
<b>Operating Revenues</b>						
Local service	\$	46,564	\$	49,155	\$	(2,591) (5.3)%
Network access and long-distance		80,347		85,305		(4,958) (5.8)%
Miscellaneous		29,137		25,837		3,300 12.8%
		156,048		160,297		(4,249) (2.7)%
<b>Operating Expenses</b>						
Cost of services and products		44,878		50,099		(5,221) (10.4)%
Selling, general and administrative expenses		45,770		50,793		(5,023) (9.9)%
Depreciation, amortization and accretion		34,528		34,785		(257) (0.7)%
		125,176		135,677		(10,501) (7.7)%
<b>Operating Income</b>	\$	30,872	\$	24,620	\$	6,252 25.4%
<b>Competitive Local Exchange Carrier Operations</b>						
Revenues	\$	57,440	\$	59,205	\$	(1,765) (3.0)%
Expenses excluding depreciation, amortization and accretion		47,606		52,214		(4,608) (8.8)%
Depreciation, amortization and accretion		6,111		5,712		399 7.0%
		53,717		57,926		(4,209) (7.3)%
<b>Operating Income</b>	\$	3,723	\$	1,279	\$	2,444 N/M
Intercompany revenues	\$	(1,832)	\$	(1,225)	\$	(607) N/M
Intercompany expenses		(1,832)		(1,225)		(607) N/M
<b>Total TDS Telecom Operating Income</b>	\$	34,595	\$	25,899	\$	8,696 33.6%

---

N/M - Percentage change not meaningful.

**TDS Telecom Highlights****Year Ended December 31,**

(Unaudited, dollars in thousands)

	2007		2006		Increase (Decrease)	
					Amount	Percent
<b>Local Telephone Operations</b>						
<b>Operating Revenues</b>						
Local service	\$	193,823	\$	200,213	\$ (6,390)	(3.2)%
Network access and long-distance		330,627		352,299	(21,672)	(6.2)%
Miscellaneous		105,533		93,013	12,520	13.5%
		629,983		645,525	(15,542)	(2.4)%
<b>Operating Expenses</b>						
Cost of services and products		193,761		191,932	1,829	1.0%
Selling, general and administrative expenses		175,392		188,229	(12,837)	(6.8)%
Depreciation, amortization and accretion		133,440		135,370	(1,930)	(1.4)%
		502,593		515,531	(12,938)	(2.5)%
<b>Operating Income</b>	\$	127,390	\$	129,994	\$ (2,604)	(2.0)%
<b>Competitive Local Exchange Carrier Operations</b>						
Revenues	\$	236,529	\$	235,804	\$ 725	0.3%
Expenses excluding depreciation, amortization and accretion		198,695		212,700	(14,005)	(6.6)%
Depreciation, amortization and accretion		24,022		24,242	(220)	(0.9)%
		222,717		236,942	(14,225)	(6.0)%
<b>Operating Income (Loss)</b>	\$	13,812	\$	(1,138)	\$ 14,950	N/M
Intercompany revenues	\$	(6,301)	\$	(5,411)	\$ (890)	N/M
Intercompany expenses		(6,301)		(5,411)	(890)	N/M
<b>Total TDS Telecom Operating Income</b>	\$	141,202	\$	128,856	\$ 12,346	9.6%

---

N/M - Percentage change not meaningful.



*PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**SAFE HARBOR CAUTIONARY STATEMENT*

This Form 8-K and/or press release attached to this Form 8-K contain statements that are not based on historical fact and represent forward-looking statements, as this term is defined in the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, that address activities, events or developments that TDS intends, expects, projects, believes, estimates, plans or anticipates will or may occur in the future are forward-looking statements. The words believes, anticipates, estimates, expects, plans, intends, projects, similar expressions are intended to identify these forward-looking statements, but are not the exclusive means of identifying them. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to be significantly different from any future results, events or developments expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include those set forth below, as more fully discussed under Risk Factors in TDS Form 10-K for the year ended December 31, 2007. However, such factors are not necessarily all of the important factors that could cause actual results, performance or achievements to differ materially from those expressed in, or implied by, the forward-looking statements contained in this document. Other unknown or unpredictable factors also could have material adverse effects on future results, performance or achievements. TDS undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. You should carefully consider the Risk Factors in TDS Form 10-K for the year ended December 31, 2007, the following factors and other information contained in, or incorporated by reference into, this Form 8-K and/or press release attached to this Form 8-K to understand the material risks relating to TDS business.

- Intense competition in the markets in which TDS operates could adversely affect TDS revenues or increase its costs to compete.
- A failure by TDS service offerings to meet customer expectations could limit TDS ability to attract and retain customers and could have an adverse effect on TDS operations.
- TDS system infrastructure may not be capable of supporting changes in technologies and services expected by customers, which could result in lost customers and revenues.
- An inability to obtain or maintain roaming arrangements with other carriers on terms that are acceptable to TDS could have an adverse effect on TDS business, financial condition or results of operations. Such agreements cover traditional voice services, which are an area of strong growth for TDS and other carriers. TDS rate of adoption of new technologies, such as those enabling high-speed data services, could affect its ability to enter into or maintain roaming agreements with other carriers.
- Changes in access to content for data or video services or access to new handsets being developed by vendors, or an inability to manage its supply chain or inventory successfully, could have an adverse effect on TDS business, financial condition or results of operations.
- A failure by TDS to acquire adequate radio spectrum could have an adverse effect on TDS business and operations.
- TDS is currently participating and, to the extent conducted by the FCC, likely to participate in FCC auctions of additional spectrum in the future and, during certain periods, will be subject to the FCC's anti-collusion rules, which could have an adverse effect on TDS.
- An inability to attract and/or retain management, technical, sales and other personnel could have an adverse effect on TDS business, financial condition or results of operations.
- TDS assets are concentrated in the U.S. telecommunications industry. As a result, its results of operations may fluctuate based on factors related entirely to conditions in this industry.
- Consolidation in the telecommunications industry could adversely affect TDS revenues and increase its costs of doing business.
- Changes in general economic and business conditions, both nationally and in the markets in which TDS operates, could have an adverse effect on TDS business, financial condition or results of operations.

## Edgar Filing: ATA Inc. - Form SC 13D/A

- Changes in various business factors could have an adverse effect on TDS' business, financial condition or results of operations. These business factors may include but are not limited to demand, pricing, growth, average revenue per unit, penetration, churn, expenses, customer acquisition and retention costs, roaming rates, minutes of use, and mix and costs of products and services.
  - Advances or changes in telecommunications technology, such as Voice over Internet Protocol, WiMAX or LTE (Long-Term Evolution), could render certain technologies used by TDS obsolete, could reduce TDS' revenues or could increase its costs of doing business.
  - Changes in TDS' enterprise value, changes in the supply or demand of the market for wireless licenses or telephone company franchises, adverse developments in the business or the industry in which TDS is involved and/or other factors could require TDS to recognize impairments in the carrying value of TDS' license costs, goodwill and/or physical assets.
  - Costs, integration problems or other factors associated with acquisitions/divestitures of properties or licenses and/or expansion of TDS' business could have an adverse effect on TDS' business, financial condition or results of operations.
-

- **A significant portion of TDS' wireless revenues is derived from customers who buy services through independent agents and dealers who market TDS' services on a commission basis. If TDS' relationships with these agents and dealers are seriously harmed, its wireless revenues could be adversely affected.**
- **TDS' investments in technologies which are unproven or for which success has not yet been demonstrated may not produce the benefits that TDS expects.**
- **A failure by TDS to complete significant network construction and system implementation as part of its plans to improve the quality, coverage, capabilities and capacity of its network could have an adverse effect on its operations.**
- **Financial difficulties of TDS' key suppliers or vendors, or termination or impairment of TDS' relationship with such suppliers or vendors could result in a delay or termination of TDS' receipt of equipment, content or services which could adversely affect TDS' business and results of operations.**
- **TDS has significant investments in entities that it does not control. Losses in the value of such investments could have an adverse effect on TDS' results of operations or financial condition.**
- **War, conflicts, hostilities and/or terrorist attacks or equipment failure, power outages, natural disasters or breaches of network or information technology security could have an adverse effect on TDS' business, financial condition or results of operations.**
- **The market prices of TDS' Common Shares and Special Common Shares are subject to fluctuations due to a variety of factors such as general economic conditions; wireless and telecommunications industry conditions; fluctuations in TDS' quarterly customer activations, churn rate, revenues, results of operations or cash flows; variations between TDS' actual financial and operating results and those expected by analysts and investors; and announcements by TDS' competitors**
- **Changes in guidance or interpretations of accounting requirements, changes in industry practice, or identification of errors could require amendments to or restatements of financial information or disclosures included in this or prior filings with the SEC.**
- **Restatements of financial statements by TDS and related matters, including resulting delays in filing periodic reports with the SEC, could have an adverse effect on TDS' credit rating, liquidity, financing arrangements, capital resources and ability to access the capital markets, including pursuant to shelf registration statements; could adversely affect TDS' listing arrangements on the American Stock Exchange and/or New York Stock Exchange; and/or could have other negative consequences, any of which could have an adverse effect on the trading prices of TDS' publicly traded equity and/or debt and/or on TDS' business, financial condition or results of operations.**
- **The pending SEC investigation regarding the restatement of TDS' financial statements could result in substantial expenses, and could result in monetary or other penalties.**
- **Changes in facts or circumstances, including new or additional information that affects the calculation of potential liabilities for contingent obligations under guarantees, indemnities or otherwise, could require TDS to record charges in excess of amounts accrued in the financial statements, if any, which could have an adverse effect on TDS' financial condition or results of operations.**
- **A failure to successfully remediate the existing material weakness in internal control over financial reporting in a timely manner or the identification of additional material weaknesses in the effectiveness of internal control over financial reporting could result in inaccurate financial statements or other disclosures or fail to prevent fraud, which could have an adverse effect on TDS' business, financial condition or results of operations.**



- **Early redemptions of debt or repurchases of debt, issuances of debt, changes in prepaid forward contracts, changes in operating leases, changes in purchase obligations or other factors or developments could cause the amounts reported under Contractual Obligations in TDS most recent Annual Report on Form 10-K, as updated by the Quarterly Reports on Form 10-Q, to be different from the amounts actually incurred.**



- **An increase of TDS debt in the future could subject TDS to various restrictions and higher interest costs and decrease its cash flows and earnings.**





- **Uncertainty of access to capital for telecommunications companies, deterioration in the capital markets, other changes in market conditions, changes in TDS credit ratings or other factors could limit or restrict the availability of financing on terms and prices acceptable to TDS, which could require TDS to reduce its construction, development and acquisition programs.**



- **Changes in the regulatory environment or a failure by TDS to timely or fully comply with any regulatory requirements could adversely affect TDS financial condition, results of operations or ability to do business.**



- **Changes in income tax rates, laws, regulations or rulings, or federal or state tax assessments could have an adverse effect on TDS financial condition or results of operations.**



- **Settlements, judgments, restraints on its current or future manner of doing business and/or legal costs resulting from pending and future litigation could have an adverse effect on TDS financial condition, results of operations or ability to do business.**











- **The possible development of adverse precedent in litigation or conclusions in professional studies to the effect that radio frequency emissions from handsets, wireless data devices and/or cell sites cause harmful health consequences, including cancer or tumors, or may interfere with various electronic medical devices such as pacemakers, could have an adverse effect on TDS wireless business, financial condition or results of operations.**



Edgar Filing: ATA Inc. - Form SC 13D/A

- **Certain matters, such as control by the TDS Voting Trust and provisions in the TDS Restated Certificate of Incorporation, may serve to discourage or make more difficult a change in control of TDS.**
- **Any of the foregoing events or other events could cause revenues, customer additions, operating income, capital expenditures and/or any other financial or statistical information to vary from TDS forward looking estimates by a material amount.**



Edgar Filing: ATA Inc. - Form SC 13D/A

TDS undertakes no obligation to update publicly any forward-looking statements whether as a result of new information, future events or otherwise. Readers should evaluate any statements in light of these important factors.

---