

The Board of Directors of Informatics Education Ltd is pleased to announce the  
Unaudited results for the period ended 30 September 2006:-

1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group S\$'000			Group S\$'000		
	Q2 FY07	Q2 FY06	% Change	1H FY07	1H FY06	% Change
<b>Operating revenue</b>	13,663	14,331	-5%	25,389	28,474	-11%
Staff costs	(6,194)	(7,773)	-20%	(12,453)	(15,839)	-21%
Depreciation of fixed assets	(646)	(785)	-18%	(1,327)	(1,614)	-18%
Other operating expenses	(8,139)	(9,618)	-15%	(15,788)	(19,205)	-18%
<b>Loss from operations</b>	(1,316)	(3,845)	-66%	(4,179)	(8,184)	-49%
Interest expenses	(2)	(29)	-93%	(2)	(56)	-96%
Interest income	103	30	243%	250	63	297%
Share of results of associated companies	(1)	46	N/M	(7)	(241)	-97%
<b>Loss before tax and exceptional item</b>	(1,216)	(3,798)	-68%	(3,938)	(8,418)	-53%
Exceptional items	-	-	N/M	-	770	-100%
<b>Loss before taxation</b>	(1,216)	(3,798)	-68%	(3,938)	(7,648)	-49%
Taxation	(23)	(35)	-34%	(92)	(130)	-29%
<b>Loss after tax</b>	(1,239)	(3,833)	-68%	(4,030)	(7,778)	-48%
Attributable to: Shareholders of the Company	(1,239)	(3,833)	-68%	(4,030)	(7,778)	-48%

Notes to income statements

(i) Loss from operations is stated after (charging)/crediting:

	Group S\$'000			Group S\$'000		
	Q2 FY07	Q2 FY06	% Change	1H FY07	1H FY06	% Change
Amortisation of intangible assets	(11)	(158)	-93%	(28)	(282)	-90%
Provision for doubtful debts	561	(594)	N/M	404	(556)	N/M
Net bad debts recovered / (written off)	(432)	12	N/M	(564)	(2)	N/M
Net gain / (loss) on disposal of fixed assets	(39)	7	N/M	(40)	370	N/M
Gain on disposal of fixed assets - properties	-	99	N/M	-	99	N/M
Loss on disposal of investments	-	(3)	N/M	-	(217)	N/M
Foreign exchange (loss) / gain, net	(75)	(143)	-47%	(411)	(148)	177%

(ii) Exceptional items

- Net gain on disposal of property, land and assets - - - 770

(iii) The other operating expenses reduced by \$1.5 million (15%) to \$8.1 million compared with \$9.6 million in the previous corresponding quarter. The reduction was mainly due to savings from doubtful debt provision and facility costs due to consolidation of centres in Malaysia.

(iv) There was a net underprovision for tax of \$23,868 pertaining to prior years.

1 (b)(i) **A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group S\$'000 30.9.06	Group S\$'000 31.3.06	Change %	Company S\$'000 30.9.06	Company S\$'000 31.3.06	Change %
Fixed Assets	5,750	6,546	-12%	263	549	-52%
Subsidiary Companies	-	-	N/M	3,141	3,462	-9%
Associated Companies	127	134	-5%	86	86	0%
Intangible Assets	10	32	-69%	-	-	N/M
Deferred Tax Assets	314	307	2%	-	-	N/M
<b>CURRENT ASSETS</b>						
Trade and Other Receivables	9,413	10,989	-14%	6,483	5,427	19%
Fixed Deposits*	3,257	7,409	-56%	3,134	7,101	N/M
Cash and Bank Balances**	14,685	10,609	38%	2,971	2,085	42%
	<u>27,355</u>	<u>29,007</u>	-6%	<u>12,588</u>	<u>14,613</u>	-14%
<b>CURRENT LIABILITIES</b>						
Fees Received In Advance	19,638	18,224	8%	-	-	N/M
Trade and Other Payables	31,065	31,176	0%	14,058	12,679	11%
Interest-bearing loans and borrowings	210	250	-16%	-	40	N/M
Provision For Tax	364	408	-11%	-	-	N/M
	<u>51,277</u>	<u>50,058</u>	2%	<u>14,058</u>	<u>12,719</u>	11%
<b>NET CURRENT LIABILITIES</b>	(23,922)	(21,051)	14%	(1,470)	1,894	N/M
<b>NON-CURRENT LIABILITIES</b>						
Other Payables	-	-	N/M	5,477	5,697	N/M
Interest-bearing loans and borrowings	499	604	-17%	-	11	N/M
Deferred Tax Liabilities	126	136	-7%	-	-	N/M
	<u>(18,346)</u>	<u>(14,772)</u>	24%	<u>(3,457)</u>	<u>283</u>	N/M
<b>SHARE CAPITAL AND RESERVES</b>						
Share Capital	61,457	61,469	0%	61,457	61,469	0%
Reserves	(79,803)	(76,241)	5%	(64,914)	(61,186)	6%
Total Share Capital & Reserves	<u>(18,346)</u>	<u>(14,772)</u>	24%	<u>(3,457)</u>	<u>283</u>	N/M

**Notes to Balance Sheets**

\* Fixed deposits includes a restricted deposit of \$1,091,380.68 held by a bank as collateral for the issue of a banker's guarantee on behalf of a subsidiary company.

\*\* Cash and bank balances include \$1,278,000 held in trust of international students of a subsidiary which is required under Case Trust for Education Scheme.

1 (b)(ii) **Aggregate amount of group's borrowings and debt securities**

	As at 30.9.06		As at 31.03.06	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Amount repayable in one year or less, or on demand</b>	210	-	250	-

	As at 30.9.06		As at 31.03.06	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Amount repayable after one year</b>	499	-	604	-

**Details of any collateral**

The Group's interest bearing loans are secured by properties owned by a subsidiary company

1 (c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group S\$'000	Group S\$'000	Group S\$'000	Group S\$'000
	Q2 FY07	Q2 FY06	1H FY07	1H FY06
<b>Operating activities</b>				
Loss before tax and minority interests	(1,216)	(3,798)	(3,938)	(7,648)
Non cash items	369	644	1,523	188
Working capital changes	2,266	3,835	2,814	4,762
Interest received	103	30	250	63
Interest paid	(2)	-	(2)	(27)
Income tax paid	(77)	(78)	(80)	(102)
<b>Net Cash used in operations</b>	<b>1,443</b>	<b>633</b>	<b>567</b>	<b>(2,764)</b>
<b>Investing activities</b>				
Purchase of fixed assets	(257)	(742)	(778)	(1,210)
Proceeds on disposal of fixed assets	144	554	149	2,056
Disposal of a subsidiary, net of cash disposed	-	-	-	529
<b>Net Cash (used in)/generated from investing activities</b>	<b>(113)</b>	<b>(188)</b>	<b>(629)</b>	<b>1,375</b>
<b>Financing activities</b>				
Payment to hire purchase creditors	(31)	(22)	(53)	(44)
Increase in interest bearing loans	-	2,500	-	2,500
(Repayment)/ Increase in amount due to a bank	(51)	(275)	(92)	(210)
Loan from related parties	-	-	-	2,465
Expenses relating to issue of shares	(12)	-	(12)	(17)
<b>Net Cash (used in)/ generated from financing activities</b>	<b>(94)</b>	<b>2,203</b>	<b>(157)</b>	<b>4,694</b>
Net increase / (decrease) in cash and cash equivalent	1,236	2,648	(219)	3,305
Cash and cash equivalent at beginning of the period	16,737	7,510	18,018	6,940
Effect of exchange rate changes	(31)	(259)	143	(346)
Balance as at end of the period	<u>17,942</u>	<u>9,899</u>	<u>17,942</u>	<u>9,899</u>
Fixed deposits	3,257	1,427	3,257	1,427
Cash and bank	<u>14,685</u>	<u>8,472</u>	<u>14,685</u>	<u>8,472</u>
	<u>17,942</u>	<u>9,899</u>	<u>17,942</u>	<u>9,899</u>

- 1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share Capital	(Accumulated Losses)	Employee Share Option Reserve	Translation Reserve	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>					
<b>Balance at 01.04.05</b>	42,342	(51,080)	72	(2,444)	(11,110)
Net Loss	-	(3,945)	-	-	(3,945)
Issue of shares	(17)	-	-	-	(17)
Grant of employee share options	-	-	73	-	73
Exchange differences arising from consolidation	-	-	-	(283)	(283)
<b>Balance at 30.6.05</b>	42,325	(55,025)	145	(2,727)	(15,282)
Net Loss	-	(3,833)	-	-	(3,833)
Issue of shares	-	-	-	-	-
Grant of employee share options	-	-	59	-	59
Exchange differences arising from consolidation	-	-	-	(129)	(129)
<b>Balance at 30.9.05</b>	42,325	(58,858)	204	(2,856)	(19,185)
<b>Balance at 01.04.06</b>	61,469	(73,898)	354	(2,697)	(14,772)
Net Loss	-	(2,791)	-	-	(2,791)
Issue of shares	-	-	-	-	-
Grant of employee share options	-	-	57	-	57
Exchange differences arising from consolidation	-	-	-	402	402
<b>Balance at 30.6.06</b>	61,469	(76,689)	411	(2,295)	(17,104)
Net Loss	-	(1,240)	-	-	(1,240)
Issue of shares	(12)	-	-	-	(12)
Grant of employee share options	-	-	(100)	-	(100)
Exchange differences arising from consolidation	-	-	-	110	110
<b>Balance at 30.9.06</b>	61,457	(77,929)	311	(2,185)	(18,346)
<b>Company</b>					
<b>Balance at 01.04.05</b>	42,342	(42,738)	72	-	(324)
Net Loss	-	(2,907)	-	-	(2,907)
Issue of shares	(17)	-	-	-	(17)
Grant of employee share options	-	-	73	-	73
<b>Balance at 30.6.05</b>	42,325	(45,645)	145	-	(3,175)
Net Loss	-	(2,000)	-	-	(2,000)
Issue of shares	-	-	-	-	-
Grant of employee share options	-	-	59	-	59
<b>Balance at 30.9.05</b>	42,325	(47,645)	204	-	(5,116)
<b>Balance at 01.04.06</b>	61,469	(61,540)	354	-	283
Net Loss	-	(3,426)	-	-	(3,426)
Issue of shares	-	-	-	-	-
Grant of employee share options	-	-	57	-	57
Exchange differences arising from consolidation	-	-	-	-	-
<b>Balance at 30.6.06</b>	61,469	(64,966)	411	-	(3,086)
Net Loss	-	(259)	-	-	(259)
Issue of shares	(12)	-	-	-	(12)
Grant of employee share options	-	-	(100)	-	(100)
Exchange differences arising from consolidation	-	-	-	-	-
<b>Balance at 30.9.06</b>	61,457	(65,225)	311	-	(3,457)

- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 30 September 2006, there were 10,593,665 unexercised options to subscribe for ordinary shares (30 September 2005: 10,849,000) under the scheme.

As at 30 September 2006, none of 195,999,826 for Warrants W110108 expiring on 8 January 2011 were exercised.

As at 30 September 2006, none of the 91,414,352 for Warrants W090930 expiring on 30 September 2009 were exercised. (30 September 2005: 78,400,000)



**2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by the auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

NA

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared with the audited financial statements as at 31 March 2006.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

NA

**6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	Group Q2 FY07	Group Q2 FY06	Change %	Group 1H FY07	Group 1H FY06	Change %
Loss per ordinary share after deducting any provision for preference dividends:						
(a) Based on weighted average number of ordinary shares in issue (in cents)	(0.16)	(0.98)	N/M	(0.51)	(1.98)	N/M
(b) On a fully diluted basis (in cents)	(0.16)	(0.98)	N/M	(0.51)	(1.98)	N/M

Loss per share for the quarter ended ended 30 September 2006 was calculated based on weighted average number of shares in issue during the year of 784,000,168 ordinary shares ( 30 September 2005: 392,000,000 ordinary shares)

Loss per share for the half year ended ended 30 September 2006 was calculated based on weighted average number of shares in issue during the year of 784,000,168 ordinary shares (30 September 2005 :392,000,000 ordinary shares)

Loss per share for the quarter ended 30 September 2006 computed on a fully dilutive basis was calculated based on the weighted average share capital adjusted for the dilutive effect of shares under options of 784,000,168 ordinary shares ( 30 September 2005: 392,000,000 ordinary shares).

Loss per share for the half year ended 30 September 2006 computed on a fully dilutive basis is calculated based on the weighted average share capital adjusted for the dilutive effect of shares under options of 784,000,168 ordinary shares (30 September 2005: 392,000,000 ordinary shares).

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group 30.9.06	Group 31.03.06	Change %	Company 30.9.06	Company 31.03.06	Change %
Net (liability)/asset backing per ordinary shares (cents) based on existing issued share capital as at the end of the period reported on	(2.34)	(1.88)	24%	(0.44)	0.04	N/M

**8 The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

(a) The school operations in both Singapore and Hong Kong showed double digit growth in revenue. However these increases were negated by the declines caused by the ongoing rationalisation exercises in the Malaysian operations and the disposal of ATS business. The total revenue of the Group declined by 5% to \$13.7 million as compared with \$14.3 million in the corresponding quarter.

(b) The Group reduced its net loss by 68% to \$1.2 million as compared to a net loss of \$3.8 million in the previous corresponding period due to savings from staff cost and other operating costs.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

In spite of the challenging conditions in which the Group operates, its performance in this quarter had been encouraging.

**10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The education sector, in which the Group operates, will continue to be challenging. The Group showed further improvement in cost control and operating efficiency in this period. Going forward, the Group will continue to focus its efforts on revenue growth through an increase in global student recruitment by means of its licensing strategy, product development and market penetration. The Group will also continue to further improve its financial and operational management control systems.

The Board is pleased to note that, in accordance with the "Whitewash Waiver" approved by the EGM on 25 November 2005, Berjaya Leisure Capital (Cayman) Ltd, a member of the Berjaya Corporation Group of companies which is controlled by our Chairman, Tan Sri Dato' Seri Vincent Tan Chee Yioun had on 27th October 2006 exercised 52,169,375 Warrants 2011 at \$0.05 each, totalling \$2.61 million. Tan Sri and his concert parties' interest in the Company following this warrant exercise is 33.49%. This has brought in fresh cash into the Group to strengthen its financial position.

In view of the Group's negative NTA, the Board is contemplating raising additional funds via another rights issue or private placement which may take the form of strategic partnership to further enhance the Group's financial position and its core business.

**11 Dividend**

**(a) Current Financial Period Reported on**

Any dividend recommended for the current financial period reported on? Yes/No

Name of Dividend	Interim
Dividend Type	NIL
Dividend Rate	NIL
Par value of shares	NIL
Tax Rate	NIL

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediate preceding financial year? Yes/No

Name of Dividend	Interim
Dividend Type	NIL
Dividend Rate	NIL
Par value of shares	NIL
Tax Rate	NIL

**(c) Date Payable**

NIL

**(d) Books closure date**

NIL

**12 If no dividend has been declared/recommended, a statement to that effect**

NIL

**13 Confirmation by directors**

The Board hereby confirmed that, to the best of their knowledge, nothing has come to the attention of the Board which may render the interim financial results to be false or misleading.

14 **Contingent Liabilities**

	Group		Company	
	30.9.06	31.3.06	30.9.06	31.3.06
	\$'000	\$'000	\$'000	\$'000
(a) Corporate guarantee issued to financial institutions for credit facilities granted to subsidiaries	2,889	2,929	2,818	2,857
(b) The Company has undertaken to provide continuing financial support to subsidiaries that are in net shareholders' deficit positions to enable them to operate as going concerns at least through 12 months from the date of the Directors' Report in the Annual Report.				
(c) Legal suits amounting to approximately RM5,851,137 have been filed against the Company by franchisees for alleged non-fulfillment of the terms of sub-franchise agreements by the Company. In the opinion of the Directors, supported by legal advice, the alleged claims made are unsubstantiated, and accordingly no provision has been made in the financial statements in respect thereof.				
(d) A subsidiary in the United Kingdom, Informatics Group (UK) Limited ("IGUK") is currently under liquidation since October 2003. The Company's solicitors have advised that legal liability under the letters of Comfort issued in July 2003 is uncertain as at balance sheet date. Although the liquidator of IGUK has not made a claim against the Company under the Letters of Comfort, there is no assurance that the liquidator of IGUK will not make such a claim against the Company in the future. If the liquidator does make such a claim in future and is successful, this would have an adverse effect on the financial performance and position of the Group.				

15 **Whitewash Waiver**

Please note that in connection with the Rights Issue that was undertaken by the Company and completed on 31 December 2005 ("the Rights Issue"), a Whitewash Waiver was granted by the Securities Industry Council of Singapore to Tan Sri Dato' Seri Vincent Tan Chee Yioun ("Tan Sri") and his concert parties from the requirement to make a mandatory general offer for the Company under Rule 14 of the Singapore Code on Take-overs and Mergers ("the Code") arising from the acquisition by Tan Sri and his concert parties of rights shares and/or new shares upon the exercise of warrants issued pursuant to the Rights Issue. The Waiver was approved by the EGM on 25 November 2005. Further details of the Whitewash Waiver and the Rights Issue are set out in the Circular to Shareholders dated 10 November 2005, the Offer Information Statement of the Company dated 14 December 2005, and the Disclosure Notice pursuant to Note 2 on Section 2 of Appendix 1 of the Code, all of which copies can be obtained from the registered office of the Company.

In accordance with this Whitewash Waiver, Berjaya Leisure Capital (Cayman) Ltd had on 27 October 2006 exercised 52,169,375 Warrants 2011 at an exercise price of \$0.05 each totalling \$2.61 million. The percentage shareholdings by Tan Sri and his concert parties after this warrant exercise is 33.49%

N/M - NOT MEANINGFUL

**BY ORDER OF THE BOARD**

TONG CHIU FAI  
DIRECTOR

10 NOVEMBER 2006  
SINGAPORE