

**QUARTERLY FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT**

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the  
Unaudited results for the period ended 30 June 2011:-

- 1 (a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group S\$'000		%
	Q1 FY2012	Q1 FY2011	Change
<b>Revenue</b>	6,885	7,986	-14%
Employee benefits expense	(3,709)	(3,871)	-4%
Depreciation of property, plant and equipment	(154)	(154)	0%
Other operating expenses	(4,335)	(4,922)	-12%
<b>Loss from operations</b>	<u>(1,313)</u>	<u>(961)</u>	37%
Interest income	32	22	45%
<b>Loss before taxation</b>	<u>(1,281)</u>	<u>(939)</u>	36%
(Taxation) / Tax write-back	(4)	18	N/M
<b>Loss after tax</b>	<u>(1,285)</u>	<u>(921)</u>	40%
<b>Loss attributable to:</b>			
Owners of the parent	(1,285)	(918)	40%
Non-controlling interests	<u>-</u>	<u>(3)</u>	-100%
	<u>(1,285)</u>	<u>(921)</u>	40%

**Consolidated Statement of Comprehensive income**

	Group S\$'000		%
	Q1 FY2012	Q1 FY2011	Change
<b>Loss after tax</b>	(1,285)	(921)	40%
<b>Other comprehensive income :</b>			
- Foreign currency translation	<u>(145)</u>	<u>73</u>	N/M
Other comprehensive income for the period, net of tax	<u>(145)</u>	<u>73</u>	N/M
<b>Total comprehensive income for the period</b>	<u>(1,430)</u>	<u>(848)</u>	69%
<b>Total comprehensive income attributable to :</b>			
Owners of the parent	(1,430)	(845)	69%
Non-controlling interests	<u>-</u>	<u>(3)</u>	-100%
	<u>(1,430)</u>	<u>(848)</u>	69%

Group S\$'000		%
Q1 FY2012	Q1 FY2011	Change

**Notes to income statements**

**(a)(i) Profit from operations is stated after crediting / (charging) :**

Write back / (Allowance) of provision for doubtful debts	187	(502)	N/M
Impairment of fixed assets	(37)	-	N/M
Bad debts written off	(70)	-	N/M
Net gain / (loss) on disposal of property, plant and equipment	40	(3)	N/M
Sundry Income	10	-	N/M
Foreign exchange (loss) / gain, net	(131)	53	N/M
Operating lease expenses	(1,237)	(837)	48%

(a)(ii) The other operating expenses reduced by \$0.6 million (12%) to \$4.3 million from \$4.9 million as compared with previous corresponding quarter. The saving was mainly due to recovery of doubtful debt and lower spending in direct costs, which was partially offset by overlapping rental costs recorded for Singapore offices during their shift.

(a)(iii) There was no adjustment for over and under provision of tax in respect of prior years.

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

	Group S\$'000 30.06.11	Group S\$'000 31.03.11	Change %	Company S\$'000 30.06.11	Company S\$'000 31.03.11	Change %
<b>NON-CURRENT ASSETS</b>						
Property, plant and equipment	2,028	1,125	80%	689	418	65%
Investments in subsidiaries	-	-	-	23,511	23,511	-
Intangible assets	37	47	-21%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	<u>2,102</u>	<u>1,209</u>	74%	<u>24,200</u>	<u>23,929</u>	1%
<b>CURRENT ASSETS</b>						
Prepayment	1,420	1,278	11%	246	182	35%
Trade and other receivables	4,400	4,946	-11%	5,642	5,253	7%
Cash and cash equivalents	30,816	31,432	-2%	3,280	3,273	-
Restricted cash at bank	464	522	-11%	-	-	-
	<u>37,100</u>	<u>38,178</u>	-3%	<u>9,168</u>	<u>8,708</u>	5%
<b>CURRENT LIABILITIES</b>						
Fees received in advance	11,731	10,980	7%	100	69	45%
Deferred Income and fees	338	504	-33%	186	422	-56%
Trade and other payables	12,195	11,600	5%	10,300	9,521	8%
Accruals for withholding tax	195	196	-1%	192	196	-2%
Income tax payable	9	7	29%	-	-	-
	<u>24,468</u>	<u>23,287</u>	5%	<u>10,778</u>	<u>10,208</u>	6%
<b>NET CURRENT ASSETS / (LIABILITIES)</b>	<b>12,632</b>	<b>14,891</b>	<b>-15%</b>	<b>(1,610)</b>	<b>(1,500)</b>	<b>7%</b>
<b>TOTAL NET ASSETS</b>	<b><u>14,734</u></b>	<b><u>16,100</u></b>	<b>-8%</b>	<b><u>22,590</u></b>	<b><u>22,429</u></b>	<b>1%</b>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>						
Share Capital	29,377	29,368	-	29,377	29,368	-
Reserves	(14,654)	(13,279)	10%	(6,787)	(6,939)	-2%
	<u>14,723</u>	<u>16,089</u>		<u>22,590</u>	<u>22,429</u>	
Non-controlling Interests	11	11	-	-	-	-
<b>TOTAL EQUITY</b>	<b><u>14,734</u></b>	<b><u>16,100</u></b>	<b>-8%</b>	<b><u>22,590</u></b>	<b><u>22,429</u></b>	<b>1%</b>

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

NIL

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

	Group S\$'000	Group S\$'000
	<u>Q1 FY2012</u>	<u>Q1 FY2011</u>
<b>Cash flow from operating activities</b>		
Loss before taxation	(1,281)	(939)
Adjustments for :		
Amortisation of intangible assets	9	10
Depreciation of property, plant and equipment	154	154
(Gain) / Loss on disposal of property, plant and equipment	(40)	3
Impairment of fixed assets	37	-
Bad debts written off	70	-
(Write back) / Allowance for doubtful debts, net	(187)	502
Employee share option expense	55	57
Interest income	(32)	(22)
Unrealised exchange loss	51	68
<b>Operating profit before working capital changes</b>	<b>(1,164)</b>	<b>(167)</b>
Increase in inventories	-	(5)
Decrease in cash held in escrow account	58	242
Decrease in trade and other receivables	404	102
Increase / (Decrease) in fees received in advance	751	(503)
Increase / (Decrease) in trade and other payables	430	(979)
<b>Cash generated from / (used in) operations</b>	<b>479</b>	<b>(1,310)</b>
Interest received	32	22
Tax paid, net	(4)	(6)
<b>Net cash generated from / (used in) operating activities</b>	<b>507</b>	<b>(1,294)</b>
<b>Cash flow from investing activities</b>		
Acquisition of fixed assets	(1,305)	(255)
Proceeds from disposal of property	239	4
<b>Net cash used in investing activities</b>	<b>(1,066)</b>	<b>(251)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of new shares	9	24
<b>Net cash generated from financing activities</b>	<b>9</b>	<b>24</b>
Net decrease in cash and cash equivalents	(550)	(1,521)
Cash and cash equivalents at the beginning of the period	31,432	23,953
Effect of exchange rate changes on opening cash and cash equivalents	(66)	(6)
<b>Cash and cash equivalents at the end of the period</b>	<b>30,816</b>	<b>22,426</b>
Short-term deposits	18,851	14,810
Cash at bank and in hand*	11,965	7,616
	<b>30,816</b>	<b>22,426</b>

**Notes to Cash Flow Statement**

\* Cash at banks and in hand exclude \$463,981 (FY2011: \$1,524,098) held in trust for international students of a subsidiary which is required under Student Protection Scheme.

- 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.

Consolidated Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital	Accumulated (Losses)/Profit	Employee Share Option Reserve	Translation Reserve	Total	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
<b>Balance at 01.04.11</b>	29,368	(11,559)	377	(2,097)	16,089	11	16,100
Total comprehensive income for the period	-	(1,285)	-	(145)	(1,430)	-	(1,430)
Exercise of employee share options	9	-	-	-	9	-	9
Grant of employee share options	-	-	55	-	55	-	55
<b>Balance at 30.06.11</b>	<b>29,377</b>	<b>(12,844)</b>	<b>432</b>	<b>(2,242)</b>	<b>14,723</b>	<b>11</b>	<b>14,734</b>
<b>Balance at 01.04.10</b>							
19,904	(14,240)	959	(2,765)	3,858	6	3,864	
Total comprehensive income for the period	-	(918)	-	73	(845)	(3)	(848)
Exercise of employee share options / warrants	24	-	-	-	24	-	24
Grant of employee share options	-	-	57	-	57	-	57
<b>Balance at 30.06.10</b>	<b>19,928</b>	<b>(15,158)</b>	<b>1,016</b>	<b>(2,692)</b>	<b>3,094</b>	<b>3</b>	<b>3,097</b>
<b>Company</b>							
				Share Capital	Revenue Reserves	Employee Share Option Reserve	Total
				S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 01.04.11</b>				29,368	(7,316)	377	22,429
Total comprehensive income for the period				-	97	-	97
Exercise of employee share options				9	-	-	9
Grant of employee share options				-	-	55	55
<b>Balance at 30.06.11</b>				<b>29,377</b>	<b>(7,219)</b>	<b>432</b>	<b>22,590</b>
<b>Balance at 01.04.10</b>							
19,904	(5,685)	959	15,178				
Total comprehensive income for the period	-	(965)	-	-	(965)	-	(965)
Exercise of employee share options / warrants	24	-	-	24	-	-	24
Grant of employee share options	-	-	57	-	-	57	57
<b>Balance at 30.06.10</b>	<b>19,928</b>	<b>(6,650)</b>	<b>1,016</b>	<b>14,294</b>			

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

During the year, the company issued:-

(i) 5,000 new shares at \$0.065 each amounting to \$325 due to the exercise of 5,000 share options under the employee share option scheme of the company and

(ii) 71,250 new shares at \$0.023 each amounting to \$1,639 due to the exercise of 71,250 share options under the employee share option scheme of the company and

(iii) 158,500 new shares at \$0.045 each amounting to \$7,132 due to the exercise of 158,500 share options under the employee share option scheme of the company and

Hence, as at 30 June 2011, the number of shares of the company is 1,435,619,312 (30.06.2010 : 1,257,080,046)

As at 30 June 2011, the outstanding options were as follows:

- 19,858,000 (30.06.2010 : 41,166,174) share options.

- (d)(iii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	<b>As at end of current financial period ended 30 June 2011</b>	<b>As at end of financial year ended 31 March 2011</b>
Total number of ordinary shares issued	1,435,619,312	1,435,384,562

Note : The Company does not have any treasury shares during the reporting period, as at the end of the current financial period and as at the end of the immediate preceding year.

- (d)(iv) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not Applicable

- 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)**

Not Applicable

- 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 2011.

- 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**

Not Applicable

**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**

	<b>Group Q1 FY2012</b>	<b>Group Q1 FY2011</b>	<b>Change %</b>
Profit per ordinary share after deducting any provision for preference dividends:			
(a) Based on weighted average number of ordinary shares in issue (in cents)	(0.09)	(0.07)	29%
(b) On a fully diluted basis (in cents)	(0.09)	(0.07)	29%

Loss per share for the period ended 30 June 2011 was calculated based on weighted average number of 1,435,464,532 (30 June 2010: 1,256,129,548) ordinary shares.

Loss per share for the period ended 30 June 2011 computed on a fully dilutive basis is calculated based on the weighted average number of 1,445,753,786 (30 June 2010: 1,277,012,598) ordinary shares adjusted for the dilutive effect of warrants.

**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**

	<b>Group 30.06.11</b>	<b>Group 31.03.11</b>	<b>Change %</b>	<b>Company 30.06.11</b>	<b>Company 31.03.11</b>	<b>Change %</b>
Net asset backing per ordinary shares (cents) based on existing issued share capital as at the end of the period reported on	1.03	1.12	-8%	1.57	1.58	0%

**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)(i) The Group recorded a revenue of \$6.9 million, a decline of \$1.1 million or 14% compared with \$8.0 million in the same quarter last year. The decrease was mainly due to the lower recruitment in school operations.
- (a)(ii) The Group recorded a loss before tax of \$1.3 million compared with the loss of \$0.9 million in the same period last year. The increase in loss was mainly due to the revenue decline which was cushioned by lower employee expenses and other operating costs.
- (b)(i) The Group's fixed assets increased by \$0.9 million to \$2.0 million as of 30 June 2011 from \$1.1 million as of 31 March 2011. The increase was mainly due to the cost of improvement to premises and acquisition of fixed assets for its new city campus and offices in Singapore (\$1.3 million) partially offset by disposal of the Malaysia property (\$0.2 million) and assets' depreciation for the quarter (\$0.2million).
- (b)(ii) Prepayment increased by \$0.1 million to \$1.4 million in the quarter from \$1.3 million as of 31 March 2011, mainly due to the payment in advance to the business partners.
- (b)(iii) Trade and other receivables decreased by \$0.5 million or 11% to \$4.4 million in June 2011 from \$4.9 million in March 2011, mainly due to payment received from debtors and utilisation of deferred cost.
- (b)(iv) The cash and cash equivalents decreased by \$0.6 million to \$30.8 million from \$31.4 million during the quarter, mainly due to the purchase of fixed assets for new campus and offices in Singapore partially offset by the increase in course fees received in advance.
- (b)(v) Fees received in advance increased by \$0.7 million to \$11.7 million from \$11.0 million mainly due to the increase in course fee received in advance in Singapore school operations.
- (b)(vi) Deferred income and fees decreased by \$0.1 million due to utilisation during the period.
- (b)(vii) Trade and other payables increased by \$0.6 million to \$12.2 million from \$11.6 million mainly due to the cost payable for acquisition of assets for the new campus and offices in Singapore.

- 9           **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**
- N/A
- 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 Group will continue to focus its efforts on academic quality with innovative way of service delivery to achieve organic growth and profitability.
- 11           **Dividend**
- (a)          **Current Financial Period Reported on**
- Any dividend recommended for the current financial period reported on?
- No
- (b)          **Corresponding Period of the Immediately Preceding Financial Year**
- Any dividend declared for the corresponding period of the immediate preceding financial year?
- No
- (c)          **Date Payable**
- Not Applicable
- (d)          **Books closure date**
- Not Applicable
- 12           **If no dividend has been declared/recommended, a statement to that effect**
- NIL
- 13           **Commitments and Contingencies**
- The Company has undertaken to provide continuing financial support to the subsidiaries that are in net shareholders' deficit positions to enable them to operate as going concerns for at least through 12 months from the date of their latest financial statements.
- 14           **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.

**BY ORDER OF THE BOARD**

Khoo Jing Ling  
Company Secretary

12th August 2011  
SINGAPORE