

HALF YEAR 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 Sep 2011:-

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

	Group			Group		
	Q2 FY2012	Q2 FY2011	%	1H FY2012	1H FY2011	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Revenue	8,714	9,931	-12%	15,599	17,917	-13%
Employee benefits expense	(3,064)	(3,671)	-17%	(6,773)	(7,542)	-10%
Depreciation of property, plant and equipment	(236)	(155)	52%	(390)	(309)	26%
Other operating expenses	(4,590)	(5,022)	-9%	(8,925)	(9,944)	-10%
Profit / (Loss) from operations	824	1,083	-24%	(489)	122	N/M
Interest income	46	24	92%	78	46	70%
Profit / (Loss) before taxation	870	1,107	-21%	(411)	168	N/M
Taxation	609	(64)	N/M	605	(46)	N/M
Profit after tax	1,479	1,043	42%	194	122	59%
Profit / (Loss) attributable to:						
Owners of the parent	1,479	1,046	41%	194	128	52%
Non-controlling interests	-	(3)	-100%	-	(6)	-100%
	1,479	1,043	42%	194	122	59%

Consolidated Statement of Comprehensive income

	Group			Group		
	Q2 FY2012	Q2 FY2011	%	1H FY2012	1H FY2011	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
Profit after tax	1,479	1,043	42%	194	122	59%
Other comprehensive income :						
- Foreign currency translation	(440)	428	N/M	(585)	501	N/M
Other comprehensive income for the period, net of tax	(440)	428	N/M	(585)	501	N/M
Total comprehensive income for the period	1,039	1,471	-29%	(391)	623	N/M
Total comprehensive income attributable to :						
Owners of the parent	1,039	1,474	-30%	(391)	629	N/M
Non-controlling interests	-	(3)	N/M	-	(6)	-100%
	1,039	1,471	-29%	(391)	623	N/M

Group			Group		
S\$'000			S\$'000		
Q2 FY2012	Q2 FY2011	Change	1H FY2012	1H FY2011	Change

Notes to income statements

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

(Allowance) / Write back of provision for doubtful debts	(156)	310	N/M	31	(192)	N/M
Impairment of fixed assets	-	-	N/M	(37)	-	N/M
Bad debts written off	(22)	-	N/M	(92)	-	N/M
Net (loss) / gain on disposal of property, plant and equipment	(2)	6	N/M	38	3	N/M
Sundry Income	11	211	-95%	21	211	-90%
Foreign exchange gain / (loss), net	279	(350)	N/M	148	(297)	N/M
Operating lease expenses	(969)	(946)	2%	(2,206)	(1,783)	24%

(a)(ii) The other operating expenses reduced by \$0.4 million (9%) to \$4.6 million from \$5.0 million of the previous corresponding quarter. This reduction was mainly due to lower direct costs and exchange gain, which was partially offset by higher provision for doubtful debt and lower sundry income.

(a)(iii) Depreciation of property, plant and equipment increased by \$0.1 million or 52% due to improvement to premises and acquisition of assets and equipment for the new Singapore campus and offices in June 2011.

(a)(iv) There was a net tax refund of \$0.6 million 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	Group	Change	Company	Company	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	30.09.11	31.03.11		30.09.11	31.03.11	
NON-CURRENT ASSETS						
Property, plant and equipment	2,126	1,125	89%	711	418	70%
Investments in subsidiaries	-	-	-	23,511	23,511	-
Intangible assets	90	47	91%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	2,253	1,209	86%	24,222	23,929	1%
CURRENT ASSETS						
Prepayment	1,246	1,278	-3%	178	182	-2%
Trade and other receivables	4,942	4,946	0%	5,198	5,253	-1%
Cash and cash equivalents	30,194	31,432	-4%	3,975	3,273	-
Restricted cash at bank	402	522	-23%	-	-	-
	36,784	38,178	-4%	9,351	8,708	7%
CURRENT LIABILITIES						
Fees received in advance	11,354	10,980	3%	43	69	-38%
Deferred Income and fees	299	504	-41%	188	422	-55%
Trade and other payables	11,321	11,600	-2%	9,564	9,521	-
Accruals for withholding tax	160	196	-18%	158	196	-19%
Income tax payable	10	7	43%	-	-	-
	23,144	23,287	-1%	9,953	10,208	-2%
NET CURRENT ASSETS / (LIABILITIES)	13,640	14,891	-8%	(602)	(1,500)	-60%
TOTAL NET ASSETS	15,893	16,100	-1%	23,620	22,429	5%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share Capital	29,377	29,368	-	29,377	29,368	-
Reserves	(13,484)	(13,279)	2%	(5,757)	(6,939)	-17%
	15,893	16,089		23,620	22,429	
Non-controlling Interests	-	11	-	-	-	-
TOTAL EQUITY	15,893	16,100	-1%	23,620	22,429	5%

1 (b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

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	Group S\$'000	Group S\$'000
	Q2 FY2012	Q2 FY2011	1H FY2012	1H FY2011
Cash flow from operating activities				
Profit / (Loss) before taxation	870	1,107	(411)	168
Adjustments for :				
Amortisation of intangible assets	17	8	26	18
Depreciation of property, plant and equipment	236	155	390	309
Loss / (Gain) on disposal of property, plant and equipment	2	(7)	(38)	(4)
Impairment of fixed assets	-	-	37	-
Bad debts written off	22	-	92	-
Allowance / (Write back) for doubtful debts, net	156	(310)	(31)	192
Employee share option expense	131	45	186	102
Interest income	(46)	(24)	(78)	(46)
Unrealised exchange (gain) / loss	(668)	586	(617)	654
Operating profit / (loss) before working capital changes	720	1,560	(444)	1,393
Increase in inventories	-	(6)	-	(11)
Decrease in cash held in escrow account	62	260	120	502
Increase in trade and other receivables	(440)	(788)	(36)	(686)
(Decrease) / Increase in fees received in advance	(377)	(483)	374	(986)
Decrease in trade and other payables	(915)	(1,450)	(485)	(2,429)
Cash used in operations	(950)	(907)	(471)	(2,217)
Interest received	46	24	78	46
Tax refund / (paid), net	577	(2)	573	(8)
Net cash (used in) / generated from operating activities	(327)	(885)	180	(2,179)
Cash flow from investing activities				
Acquisition of fixed assets	(326)	(99)	(1,631)	(354)
Expenditure on Intangible fixed assets	(69)	-	(69)	-
Proceeds from disposal of property	1	9	240	13
Net cash used in investing activities	(394)	(90)	(1,460)	(341)
Cash flow from financing activities				
Proceeds from issuance of new shares	-	1,612	9	1,636
Capital (refund to) / contribution by non-controlling interest	(11)	25	(11)	25
Net cash (used in) / generated from financing activities	(11)	1,637	(2)	1,661
Net (decrease) / increase in cash and cash equivalents	(732)	662	(1,282)	(859)
Cash and cash equivalents at the beginning of the period	30,816	22,426	31,432	23,953
Effect of exchange rate changes on opening cash and cash equivalents	110	(129)	44	(135)
Cash and cash equivalents at the end of the period	30,194	22,959	30,194	22,959
Short-term deposits	18,936	14,838	18,936	14,838
Cash at bank and in hand*	11,258	8,121	11,258	8,121
	<u>30,194</u>	<u>22,959</u>	<u>30,194</u>	<u>22,959</u>

Notes to Cash Flow Statement

* Cash at banks and in hand exclude \$402,076 (Q2 FY2011: \$1,263,675) held in trust for international students of a subsidiary which is required under Student Fee 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
Group							
Balance at 01.04.11	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
Balance at 30.06.11	29,377	(12,844)	432	(2,242)	14,723	11	14,734
Total comprehensive income for the period	-	1,479	-	(440)	1,039	-	1,039
Grant of employee share options	-	-	131	-	131	-	131
Capital refund to non-controlling interest	-	-	-	-	-	(11)	(11)
Balance at 30.09.11	29,377	(11,365)	563	(2,682)	15,893	-	15,893
Balance at 01.04.10							
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
Balance at 30.06.10	19,928	(15,158)	1,016	(2,692)	3,094	3	3,097
Total comprehensive income for the period	-	1,046	-	428	1,474	(3)	1,471
Exercise of employee share options / warrants	1,612	-	-	-	1,612	-	1,612
Grant of employee share options	-	-	45	-	45	-	45
Issuance of new shares to non-controlling interest	-	-	-	-	-	25	25
Balance at 30.09.10	21,540	(14,112)	1,061	(2,264)	6,225	25	6,250
Company							
	Share Capital	Revenue Reserves	Employee Share Option Reserve	Total			
	S\$'000	S\$'000	S\$'000	S\$'000			
Balance at 01.04.11	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			
Balance at 30.06.11	29,377	(7,219)	432	22,590			
Total comprehensive income for the period	-	899	-	899			
Grant of employee share options	-	-	131	131			
Balance at 30.09.11	29,377	(6,320)	563	23,620			
Balance at 01.04.10							
19,904	(5,685)	959	15,178				
Total comprehensive income for the period	-	(965)	-	(965)			
Exercise of employee share options / warrants	24	-	-	24			
Grant of employee share options	-	-	57	57			
Balance at 30.06.10	19,928	(6,650)	1,016	14,294			
Total comprehensive income for the period	-	679	-	679			
Exercise of employee share options / warrants	1,612	-	-	1,612			
Grant of employee share options	-	-	45	45			
Balance at 30.09.10	21,540	(5,971)	1,061	16,630			

- 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 September 2011, the number of shares of the company is 1,435,619,312 (30.09.2010 : 1,289,970,013)

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

- 18,058,000 (30.09.2010 : 27,997,011) 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.

	As at end of current financial period ended 30 September 2011	As at end of financial year ended 31 March 2011
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 auditing standard or practice

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	<u>Group</u> <u>Q2 FY2012</u>	<u>Group</u> <u>Q2 FY2011</u>	<u>Change</u> <u>%</u>	<u>Group</u> <u>1H FY2012</u>	<u>Group</u> <u>1H FY2011</u>	<u>Change</u> <u>%</u>
Profit per ordinary share after deducting any provision for preference dividends:						
(a) Based on weighted average number of ordinary shares on issue (in cents)	0.10	0.08	25%	0.01	0.01	0%
(b) On a fully diluted basis (in cents)	0.10	0.08	25%	0.01	0.01	0%

Profit per share for the period ended 30 September 2011 was calculated based on weighted average number of 1,435,542,345 (30 September 2010: 1,284,582,040) ordinary shares.

Profit per share for the period ended 30 September 2011 computed on a fully dilutive basis is calculated based on the weighted average number of 1,441,775,393 (30 September 2010: 1,379,287,869) ordinary shares adjusted for the dilutive effect of options.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the

(a) current period reported on and (b) immediately preceding financial year

	<u>Group</u> <u>30.09.11</u>	<u>Group</u> <u>31.03.11</u>	<u>Change</u> <u>%</u>	<u>Company</u> <u>30.09.11</u>	<u>Company</u> <u>31.03.11</u>	<u>Change</u> <u>%</u>
Net asset backing per ordinary shares (cents) based on existing issued share capital as at the end of the period reported on	1.11	1.12	-1%	1.65	1.58	4%

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following (a) 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; and (b) 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 \$8.7 million, a decline of \$1.2 million or 12% compared with \$9.9 million in the same quarter last year. The decrease was mainly due to lower recruitment in UK and Hong Kong school operations.
- (a)(ii) The Group recorded a profit before tax of \$0.9 million compared with the \$1.1 million in the same period last year. The decrease in profits was mainly due to revenue decline which was cushioned by lower employee and other operating costs. After receiving a net tax refund of \$0.6 million, the profit after tax attributable to owners of the parent increased by \$0.4 million or 42% to \$1.4 million from last year's \$1.0 million.
- (b)(i) The Group's fixed assets increased by \$1.0 million or 89% to \$2.1 million as of 30 September 2011 from \$1.1 million as of 31 March 2011. The increase was mainly due to improvement to premises and acquisition of fixed assets for new city campus and office in Singapore, \$1.6 million, partially offset by disposal of the Malaysia property \$0.2 million and depreciation for the period \$0.4million.
- (b)(ii) The cash and cash equivalents decreased by \$1.2 million to \$30.2 million as of September 2011 from \$31.4 million as of 31 March 2011, mainly due to purchase of fixed assets for the new city campus and office in Singapore partially offset by the increase in course fees received in advance. The restricted cash at bank decreased by \$0.1 million to \$0.4 million as of September 2011 from \$0.5 million as of 31 March 2011, mainly due to the shift of the student fee protection through using the escrow bank account to insurance coverage in Singapore.
- (b)(iii) Deferred income and fees decreased by \$0.2 million due to utilisation during the period.

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

Not Applicable

10 **A commentary at the date of the announcement of the significant trends and 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**

In this current competitive environment, the Group is attempting its best endeavour to align its resources and efforts towards strengthening its base infrastructure to tackle the challenges ahead.

11 **If a decision regarding dividend has been made**

(a) **Whether an interim (final) ordinary dividend has been declared (recommended); and**

No

(b) (i) **Amount per share (cents)** Not Applicable

(ii) **Previous corresponding period (cents)** Not Applicable

(c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)**

Not Applicable

(d) **The date the dividend is payable**

Not Applicable

(e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not Applicable

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

No dividend has been declared (recommended)

13 **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

No IPT mandate has been obtained and there was no material IPTs during the period.

14 **Negative Confirmation pursuant to Rule 705 (5)**

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

11th November 2011
SINGAPORE