

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 31 Dec 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 S\$'000			Group S\$'000		
	Q3 FY2012	Q3 FY2011	% Change	9M FY2012	9M FY2011	% Change
Revenue	7,642	7,947	-4%	23,241	25,864	-10%
Employee benefits expense	(3,071)	(3,805)	-19%	(9,844)	(11,347)	-13%
Depreciation of property, plant and equipment	(225)	(147)	53%	(615)	(456)	35%
Other operating expenses	(2,868)	(4,288)	-33%	(11,793)	(14,232)	-17%
Profit / (Loss) from operations	1,478	(293)	N/M	989	(171)	N/M
Interest income	53	28	89%	131	74	77%
Profit / (Loss) before taxation	1,531	(265)	N/M	1,120	(97)	N/M
Taxation	(33)	371	N/M	572	325	76%
Profit after tax	1,498	106	N/M	1,692	228	N/M
Profit attributable to:						
Owners of the parent	1,498	108	N/M	1,692	236	N/M
Non-controlling interests	-	(2)	-100%	-	(8)	-100%
	1,498	106	N/M	1,692	228	N/M

Consolidated Statement of Comprehensive Income

	Group S\$'000			Group S\$'000		
	Q3 FY2012	Q3 FY2011	% Change	9M FY2012	9M FY2011	% Change
Profit after tax	1,498	106	N/M	1,692	228	N/M
Other comprehensive income :						
- Foreign currency translation	(1)	4	N/M	(586)	505	N/M
Other comprehensive income for the period, net of tax	(1)	4	N/M	(586)	505	N/M
Total comprehensive income for the period	1,497	110	N/M	1,106	733	51%
Total comprehensive income attributable to :						
Owners of the parent	1,497	112	N/M	1,106	741	49%
Non-controlling interests	-	(2)	-100%	-	(8)	-100%
	1,497	110	N/M	1,106	733	51%

Group S\$'000		%	Group S\$'000		%
Q3 FY2012	Q3 FY2011	Change	9M FY2012	9M FY2011	Change

Notes to income statements

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

	Group S\$'000	Group S\$'000	%	Group S\$'000	Group S\$'000	%
	Q3 FY2012	Q3 FY2011	Change	9M FY2012	9M FY2011	Change
Write back of provision for doubtful debts	106	307	-65%	137	115	19%
Impairment of fixed assets	-	-	N/M	(37)	-	N/M
Bad debts written off	(113)	(629)	-82%	(205)	(629)	-67%
Net (loss) / gain on disposal of property, plant and equipment	(35)	9	N/M	3	12	-75%
Sundry Income	23	61	-62%	44	272	-84%
Foreign exchange gain / (loss), net	12	(88)	N/M	160	(385)	N/M
Operating lease expenses	(836)	(831)	1%	(3,042)	(2,614)	16%

(a)(ii) The other operating expenses reduced by \$1.4 million (33%) to \$2.9 million from \$4.3 million as compared with previous corresponding quarter. This reduction was mainly due to an one-off write-back of provision for direct costs relating to phase out products (\$0.7 million) and lower bad debt written off (\$0.5 million) coupled with saving in utility expense of the new Singapore offices and lower advertisement and promotion spending in Hong Kong operation.

(a)(iii) Depreciation of property, plant and equipment increased by \$0.1 million or 53% 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 no adjustment for under or over 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	Group S\$'000	Change %	Company S\$'000	Company S\$'000	Change %
	31.12.11	31.03.11	%	31.12.11	31.03.11	%
NON-CURRENT ASSETS						
Property, plant and equipment	1,824	1,125	62%	535	418	28%
Investments in subsidiaries	-	-	-	23,511	23,511	-
Intangible assets	76	47	62%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	<u>1,937</u>	<u>1,209</u>	60%	<u>24,046</u>	<u>23,929</u>	-
CURRENT ASSETS						
Prepayment	1,177	1,278	-8%	260	182	43%
Trade and other receivables	4,300	4,946	-13%	5,506	5,253	5%
Cash and cash equivalents	30,169	31,432	-4%	3,908	3,273	19%
Restricted cash at bank	262	522	-50%	-	-	-
	<u>35,908</u>	<u>38,178</u>	-6%	<u>9,674</u>	<u>8,708</u>	11%
CURRENT LIABILITIES						
Fees received in advance	10,519	10,980	-4%	28	69	-59%
Deferred Income and fees	199	504	-61%	112	422	-73%
Trade and other payables	9,623	11,600	-17%	7,879	9,521	-17%
Accruals for withholding tax	177	196	-10%	175	196	-11%
Income tax payable	13	7	86%	-	-	-
	<u>20,531</u>	<u>23,287</u>	-12%	<u>8,194</u>	<u>10,208</u>	-20%
NET CURRENT ASSETS / (LIABILITIES)	<u>15,377</u>	<u>14,891</u>	3%	<u>1,480</u>	<u>(1,500)</u>	N/M
TOTAL NET ASSETS	<u>17,314</u>	<u>16,100</u>	8%	<u>25,526</u>	<u>22,429</u>	14%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share Capital	29,377	29,368	-	29,377	29,368	-
Reserves	(12,063)	(13,279)	-9%	(3,851)	(6,939)	-45%
	<u>17,314</u>	<u>16,089</u>	-	<u>25,526</u>	<u>22,429</u>	-
Non-controlling Interests	-	11	-	-	-	-
TOTAL EQUITY	<u>17,314</u>	<u>16,100</u>	8%	<u>25,526</u>	<u>22,429</u>	14%

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
	Q3 FY2012	Q3 FY2011	9M FY2012	9M FY2011
Cash flow from operating activities				
Profit / (Loss) before taxation	1,531	(265)	1,120	(97)
Adjustments for:				
Amortisation of intangible assets	14	9	40	27
Depreciation of property, plant and equipment	225	147	615	456
Loss / (Gain) on disposal of property, plant and equipment	35	(8)	(3)	(12)
Impairment of fixed assets	-	-	37	-
Bad debts written off	113	629	205	629
Write back for doubtful debts, net	(106)	(307)	(137)	(115)
Employee share option (write back) / expense	(76)	(28)	110	74
Interest income	(53)	(28)	(131)	(74)
Unrealised exchange (gain) / loss	(6)	209	(623)	863
Operating profit before working capital changes	1,677	358	1,233	1,751
Decrease / (Increase) in inventories	-	5	-	(6)
Decrease in cash held in escrow account	140	502	260	1,004
Decrease in trade and other receivables	711	816	675	130
Decrease in fees received in advance	(835)	(1,204)	(461)	(2,190)
Decrease in trade and other payables	(1,798)	(879)	(2,283)	(3,308)
Cash used in operations	(105)	(402)	(576)	(2,619)
Interest received	53	28	131	74
Tax (paid) / refund, net	(13)	188	560	180
Net cash (used in) / generated from operating activities	(65)	(186)	115	(2,365)
Cash flow from investing activities				
Acquisition of fixed assets	(37)	(125)	(1,668)	(479)
Expenditure on Intangible fixed assets	-	-	(69)	-
Proceeds from disposal of property, plant and equipment	73	4	313	17
Net cash generated from / (used in) investing activities	36	(121)	(1,424)	(462)
Cash flow from financing activities				
Proceeds from issuance of new shares	-	5,252	9	6,888
Capital (refund to) / contribution by non-controlling interest	-	-	(11)	25
Net cash generated from / (used in) financing activities	-	5,252	(2)	6,913
Net (decrease) / increase in cash and cash equivalents	(29)	4,945	(1,311)	4,086
Cash and cash equivalents at the beginning of the period	30,194	22,959	31,432	23,953
Effect of exchange rate changes on opening cash and cash equivalents	4	(144)	48	(279)
Cash and cash equivalents at the end of the period	30,169	27,760	30,169	27,760
Short-term deposits	18,936	18,842	18,936	18,842
Cash at bank and in hand*	11,233	8,918	11,233	8,918
	<u>30,169</u>	<u>27,760</u>	<u>30,169</u>	<u>27,760</u>

Notes to Cash Flow Statement

* Cash at banks and in hand exclude \$261,596 (Q3 FY2011: \$761,711) held in trust for international students of a subsidiary which is required under Student Fee Protection Scheme.

- 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 31 December 2011, the number of shares of the company is 1,435,619,312 (31.12.2010 : 1,394,821,228)

As at 31 December 2011, the outstanding options were as follows:

- 16,069,000 (31.12.2010 : 33,582,263) 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 31 December 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

	Group Q3 FY2012	Group Q3 FY2011	Change %	Group 9M FY2012	Group 9M FY2011	Change %
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	0.01	N/M	0.12	0.02	N/M
(b) On a fully diluted basis (in cents)	0.10	0.01	N/M	0.12	0.02	N/M

Profit per share for the period ended 31 December 2011 was calculated based on weighted average number of 1,435,568,094 (31 December 2010: 1,285,063,142) ordinary shares.

Profit per share for the period ended 31 December 2011 computed on a fully dilutive basis is calculated based on the weighted average number of 1,439,385,942 (31 December 2010: 1,325,920,349) 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

	Group 31.12.11	Group 31.03.11	Change %	Company 31.12.11	Company 31.03.11	Change %
Net asset backing per ordinary shares (cents) based on existing issued share capital as at the end of the period reported on	1.21	1.12	8%	1.78	1.58	13%

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 \$7.6 million, a decline of \$0.3 million or 4% compared with \$7.9 million in the same quarter last year. The decrease was mainly due to lower students recruitment in UK, Hong Kong and elearning operations, which was cushioned by higher revenue recorded in Singapore school operation due to the shift of the study terms in this year. The Group's Hong Kong operation is now under-going a business restructuring exercise.
- (a)(ii) The Group recorded a profit before tax of \$1.5 million, an improvement of \$1.8 million compared with the loss before tax of \$0.3 million in the same quarter last year. The improvement was mainly due to savings in employee expenses and lower other operating costs recorded in this period as explained in para 1(a)(ii).
- (b)(i) The Group's fixed assets increased by \$0.7 million or 62% to \$1.8 million as of 31 December 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 the new city campus and the Company's office in Singapore, \$1.7 million, partially offset by disposal of the Malaysia property \$0.2 million, motor vehicle and equipment, \$0.2 million and depreciation for the period, \$0.6 million.
- (b)(ii) Intangible assets increased by \$29 thousand or 62% to \$76 thousand mainly due to new courseware development in the UK operation.
- (b)(iii) Prepayment of the Company increased by 43% or \$78 thousand during the period from \$182 thousand as of 31 March 2011 which relates to the purchase of a new IT system.
- (b)(iv) Trade and other receivables decreased by \$0.6 million or 13% to \$4.3 million as of 31 December 2011 from \$4.9 million as of 31 March 2011 mainly due to the refund of rental deposit for the old campus in Singapore.
- (b)(v) The cash and cash equivalents decreased by \$1.3 million to \$30.2 million as of 31 December 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. The restricted cash at bank decreased by \$0.2 million to \$0.3 million as of 31 December 2011 from \$0.5 million as of 31 March 2011, mainly due to the switching of the student fee protection through using the escrow bank account to insurance coverage in Singapore.
- (b)(vi) Deferred income and fees decreased by \$0.3 million mainly due to utilisation during the period.
- (b)(vii) Trade and other payable balances as of 31 December 2011 for both the Group and the Company, decreased by 17% mainly due to payment to suppliers.

- 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

13th February 2012
SINGAPORE

