

FULL YEAR FINANCIAL RESULTS AND DIVIDEND ANNOUNCEMENT

(Company Registration number: 198303419G)

The Board of Directors of Informatics Education Ltd is pleased to announce the
unaudited consolidated results for the financial year ended 31 Mar 2012:-

- 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		%
	FY2012	FY2011	Change
Revenue	32,483	36,105	-10%
Employee benefits expense	(12,587)	(15,086)	-17%
Depreciation of property, plant and equipment	(888)	(650)	37%
Other operating expenses	(16,704)	(18,141)	-8%
Profit from operations	<u>2,304</u>	<u>2,228</u>	3%
Interest income	188	104	81%
Profit before taxation	<u>2,492</u>	<u>2,332</u>	7%
Taxation	550	207	N/M
Profit after tax	<u>3,042</u>	<u>2,539</u>	20%
Profit attributable to :			
Equity holders of the Company	3,042	2,559	19%
Non-controlling interests	-	(20)	-100%
	<u>3,042</u>	<u>2,539</u>	20%

Consolidated Statement of Comprehensive Income

	Group S\$'000		%
	FY2012	FY2011	Change
Profit after tax	3,042	2,539	20%
Other comprehensive income :			
- Foreign currency translation	673	668	1%
Other comprehensive income for the financial year, net of tax	<u>673</u>	<u>668</u>	1%
Total comprehensive income for the financial year	<u>3,715</u>	<u>3,207</u>	16%
Total comprehensive income attributable to :			
Equity holders of the Company	3,715	3,227	15%
Non-controlling interests	-	(20)	-100%
	<u>3,715</u>	<u>3,207</u>	16%

Group S\$'000		%
FY2012	FY2011	Change

(e)(l) Notes to income statement

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

Allowance / (Write back) for doubtful debts	118	(417)	N/M
Impairment of property, plant and equipment	37	-	N/M
Bad debts written off	502	926	-46%
Net gain on disposal of property, plant and equipment	(6)	(68)	-91%
Intangible assets written off	-	729	-100%
Property, plant and equipment written off	-	3	-100%
Loss on disposal of subsidiary	228	-	N/M
Loss on liquidation of subsidiaries	954	-	N/M
Sundry Income	(162)	(840)	-81%
Foreign exchange (gain) / loss, net	(373)	185	N/M
Operating lease expenses	3,912	3,421	14%
Over provision of tax in respect of prior years	(580)	(386)	50%

(a)(ii) The other operating expenses reduced by \$1.4 million (8%) to \$16.7 million from \$18.1 million as compared with previous year. This reduction was mainly due to lower direct cost, property tax, utility and maintenance cost partially offset by loss on disposal of one subsidiary in Malaysia and loss on liquidation of six subsidiaries in Malaysia and United Kingdom.

(a)(iii) Depreciation of property, plant and equipment increased by \$0.2 million or 37% due to improvement to premises and acquisition of assets and equipment for the Singapore new city campus and offices in June 2011.

(a)(iv) The loss on disposal and liquidation of subsidiaries arises primarily from the accumulated foreign exchange differences which were previously recorded in the Translation Reserve.

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 31.03.12	Group S\$'000 31.03.11	Change %	Company S\$'000 31.03.12	Company S\$'000 31.03.11 (Restated)	Change %	Company S\$'000 01.04.10 (Restated)
NON-CURRENT ASSETS							
Property, plant and equipment	1,849	1,125	64%	587	418	40%	455
Investment in subsidiaries	-	-	-	22,717	23,511	-3%	16,692
Intangible assets	63	47	34%	-	-	-	-
Deferred tax assets	37	37	-	-	-	-	-
	<u>1,949</u>	<u>1,209</u>	<u>61%</u>	<u>23,304</u>	<u>23,929</u>	<u>-3%</u>	<u>17,147</u>
CURRENT ASSETS							
Prepayments	1,086	1,278	-15%	388	162	N/M	116
Trade and other receivables	3,330	4,946	-33%	3,383	3,194	6%	4,316
Cash and cash equivalents	31,309	31,432	0%	4,134	3,273	26%	2,598
Restricted cash at bank	211	522	-60%	-	-	-	-
	<u>35,936</u>	<u>38,178</u>	<u>-6%</u>	<u>7,915</u>	<u>6,649</u>	<u>19%</u>	<u>7,030</u>
CURRENT LIABILITIES							
Fees received in advance	8,467	10,980	-23%	50	69	-28%	-
Deferred income and fees	363	504	-28%	303	422	-28%	575
Trade and other payables	8,832	11,600	-24%	5,578	7,462	-25%	8,294
Accruals for withholding tax	188	196	-4%	185	196	-6%	130
Income tax payable	16	7	N/M	-	-	-	-
	<u>17,866</u>	<u>23,287</u>	<u>-23%</u>	<u>6,116</u>	<u>8,149</u>	<u>-25%</u>	<u>8,999</u>
NET CURRENT ASSETS / (LIABILITIES)	<u>18,070</u>	<u>14,891</u>	<u>21%</u>	<u>1,799</u>	<u>(1,500)</u>	<u>N/M</u>	<u>(1,969)</u>
TOTAL NET ASSETS	<u>20,019</u>	<u>16,100</u>	<u>24%</u>	<u>25,103</u>	<u>22,429</u>	<u>12%</u>	<u>15,178</u>
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
Share Capital	29,566	29,368	1%	29,566	29,368	1%	19,904
Reserves	(9,547)	(13,279)	-28%	(4,463)	(6,939)	-36%	(4,726)
	<u>20,019</u>	<u>16,089</u>		<u>25,103</u>	<u>22,429</u>		<u>15,178</u>
Non-controlling interests	-	11	-	-	-	-	-
TOTAL EQUITY	<u>20,019</u>	<u>16,100</u>	<u>24%</u>	<u>25,103</u>	<u>22,429</u>	<u>12%</u>	<u>15,178</u>

* The restatement relates to reclassification of inter-company balances.

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 FY2012	Group S\$'000 FY2011
Cash flow from operating activities		
Profit before taxation	2,492	2,332
Adjustments for :		
Amortisation of intangible assets	51	37
Depreciation of property, plant and equipment	888	650
Gain on disposal of property, plant and equipment	(6)	(68)
Impairment of property, plant and equipment	37	-
Bad debts written off	502	926
Intangible fixed assets written off	-	729
Property, plant and equipment written off	-	3
Allowance / (Write back) for doubtful debts, net	118	(417)
Loss on disposal of investment	228	-
Loss on liquidation of investments	954	-
Employee share option expense	71	110
Interest income	(188)	(104)
Unrealised exchange (gain) / loss	(479)	961
Operating profit before working capital changes	4,668	5,159
Decrease in inventories	-	10
Decrease in cash held in escrow account	311	1,244
Decrease / (increase) in trade and other receivables	1,275	(608)
Decrease in fees received in advance	(2,513)	(2,896)
Decrease in trade and other payables	(3,177)	(3,917)
Cash generated from / (used in) operations	564	(1,008)
Interest received	101	104
Tax refund, net	549	80
Net cash generated from / (used in) operating activities	1,214	(824)
Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,688)	(680)
Expenditure on intangible fixed assets	(69)	-
Proceeds from disposal of property, plant and equipment	292	320
Net cash used in investing activities	(1,465)	(360)
Cash flow from financing activities		
Proceeds from issuance of new shares	144	8,894
Capital (refund to) / contribution by non-controlling interest	(11)	25
Net cash generated from financing activities	133	8,919
Net (decrease) / increase in cash and cash equivalents	(118)	7,735
Cash and cash equivalents at the beginning of the financial year	31,432	23,953
Effect of exchange rate changes on opening cash and cash equivalents	(5)	(256)
Cash and cash equivalents at the end of the financial year	31,309	31,432
Short-term deposits	18,943	18,848
Cash at bank and on hand*	12,366	12,584
	31,309	31,432

Notes to Cash Flow Statement

* Cash at banks and on hand exclude \$210,881 (FY2011: \$522,360) held in trust for international students of a subsidiary in Singapore, 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 financial 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) 1,415,000 new shares at \$0.023 each amounting to \$32,545 due to the exercise of 1,415,000 share options under the employee share option scheme of the Company and
- (iii) 2,466,000 new shares at \$0.045 each amounting to \$110,970 due to the exercise of 2,466,000 share options under the employee share option scheme of the Company and

Hence, as at 31 March 2012, the number of ordinary shares of the Company was 1,439,270,562 (31.03.2011 : 1,435,384,562)

As at 31 March 2012, the outstanding options were as follows:

- 11,732,500 (31.03.2011 : 20,092,750) 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 March 2012	As at end of financial year ended 31 March 2011
Total number of ordinary shares issued	1,439,270,562	1,435,384,562

Note : The Company did not have any treasury shares 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, except for the adoption of the new and revised FRS which became mandatory from 1 April 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.

The Group has adopted the new and revised FRS, which are effective for its financial year beginning 1 April 2011. The adoption of the new and revised FRS did not result in any material impact on the Group's financial statements.

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 FY2012	Group FY2011	Change %
Earnings per ordinary share for the financial year			
(a) Based on weighted average number of ordinary shares on issue (cents)	0.21	0.19	11%
(b) On a fully diluted basis (cents)	0.21	0.19	11%

Earnings per share for the financial year ended 31 March 2012 was calculated based on weighted average number of 1,436,047,157 (31 March 2011: 1,329,675,816) ordinary shares.

Earnings per share for the financial year ended 31 March 2012 computed on a fully dilutive basis is calculated based on the weighted average number of 1,441,590,251 (31 March 2011: 1,344,135,148) ordinary shares adjusted for the dilutive effect of share 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 31.03.12	Group 31.03.11	Change %	Company 31.03.12	Company 31.03.11	Change %
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial year						
	1.39	1.12	24%	1.74	1.56	12%

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 \$32.5 million, a decline of \$3.6 million or 10% compared with \$36.1 million last year. The decrease was mainly due to lower students recruitment in UK, Hong Kong and e-learning operations. The decline in UK revenue was mainly caused by stringent student visa entry requirements to Europe and the decline in Hong Kong revenue was due to the downsizing of its operation.
- (a)(ii) The Group recorded a profit before tax of \$2.5 million, an improvement of \$0.2 million or 7% compared with \$2.3 million last year. The increase was mainly due to savings in employee expenses and lower other operating costs recorded in this financial year as explained in para 1(a)(ii) partially offset by lower revenue and higher depreciation cost. After accounting for taxation, the Group's net profit after tax attributable to shareholders rose 20% to \$3.0 million compare with \$2.5 million last year.
- (b)(i) The Group's property, plant and equipment increased by \$0.7 million or 64% to \$1.8 million as of 31 March 2012 from \$1.1 million as of 31 March 2011. The increase was mainly due to improvement to premises and acquisition of other fixed assets for the new city campus and the Company's office in Singapore (\$2.0 million), which was partially offset by disposal of the Malaysia property (\$0.2 million), motor vehicle and equipment (\$0.2 million) and depreciation for the financial year (\$0.9 million).
- (b)(ii) Intangible assets increased by \$16,000 or 34% to \$63,000 mainly due to new courseware development by the UK operation.
- (b)(iii) Prepayments of the Group decreased by \$0.2 million or 15% to \$1.1 million mainly due to utilisation of the prepaid rental of the new city campus in Singapore, whilst the Company's increased by \$0.2 million to \$0.4 million which relates to the purchase of a new IT system.
- (b)(iv) The Group's trade and other receivables decreased by \$1.6 million or 33% to \$3.3 million as of 31 March 2012 from \$4.9 million as of 31 March 2011 mainly due to the refund of rental and utilities deposits for the old campus in Singapore (\$0.5 million), receipts from debtors (\$0.5 million), doubtful debt allowance and bad debt written off (\$0.6 million). The Company's trade and other receivables increased by \$0.2 million or 6% due to delay in inter-company debt settlement.
- (b)(v) The restricted cash at bank decreased by \$0.3 million to \$0.2 million as of 31 March 2012 from \$0.5 million as of 31 March 2011, mainly due to the switching of the student fee protection scheme from the utilisation of the escrow bank account to insurance coverage in Singapore.
- (b)(vi) The Company's cash and cash equivalent increased by \$0.8 million to \$4.1 million as of 31 March 2012 from \$3.3 million as of 31 March 2011, mainly due to receipts from debtors, proceeds from issuance of new shares and tax refund.
- (b)(vii) Deferred income and fees as of 31 March 2012 for both the Group and the Company decreased by \$0.1 million or 28%, mainly due to utilisation during the financial year.
- (b)(viii) The Group's fees received in advance decreased by \$2.5 million to \$8.5 million as of 31 March 2012 from \$11.0 million as of 31 March 2011, mainly due to utilisation.
- (b)(ix) The trade and other payable balances as of 31 March 2012 decreased by \$2.8 million or 24% and \$1.9 million or 25% for the Group and Company respectively, mainly due to payment for university fees, suppliers, lower provisions and accruals made during the year.

- 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.
The Group will keep reviewing our programs and course structure to provide training, knowledge and skills that meet the global demand.
- 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 financial year.

Part II Additional Information Required for Full Year Announcement

- 15 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Segmental Results
(a) **Business segments**

	Higher Education \$'000		Corporate Training \$'000		Total \$'000	
	FY2012	FY2011	FY2012	FY2011	FY2012	FY2011
Revenue :						
Sales to external customers	31,770	34,429	713	1,676	32,483	36,105
Results :						
Interest income	188	104	-	-	188	104
Employee benefits expense	(12,159)	(14,298)	(357)	(678)	(12,516)	(14,976)
Depreciation and amortisation	(937)	(609)	(2)	(78)	(939)	(687)
Gain on disposal of property, plant and equipment	5	68	1	-	6	68
Write-back / (allowance) for doubtful receivables and bad debt written off	(620)	(519)	-	10	(620)	(509)
Operating lease expenses	(3,784)	(3,107)	(128)	(314)	(3,912)	(3,421)
Other non-cash income / (expenses)	(1,251)	(1,047)	-	6	(1,251)	(1,041)
Segment profit/(loss) before tax	2,524	2,482	(32)	(150)	2,492	2,332
Assets :						
Additions to non-current assets	2,027	633	-	47	2,027	680
Segment assets	37,784	39,317	64	33	37,848	39,350
Deferred tax assets					37	37
Total assets					37,885	39,387
Liabilities :						
Segment liabilities	17,147	22,859	703	421	17,850	23,280
Income tax payable					16	7
Total liabilities					17,866	23,287

(b) Geographical Information

	Revenue			Non-current assets		
	FY2012 \$'000	FY2011 \$'000	Change %	FY2012 \$'000	FY2011 \$'000	Change %
Singapore	18,018	17,606	2%	1,646	566	N/A
United Kingdom	9,767	10,816	-10%	146	177	-18%
Asia Pacific and others ("APAC")	4,698	7,683	-39%	120	429	-72%
	<u>32,483</u>	<u>36,105</u>	<u>-10%</u>	<u>1,912</u>	<u>1,172</u>	<u>63%</u>

Non-current assets information presented above consist of property, plant and equipment, and intangible assets as presented in the consolidated balance sheet.

(c) Information about major customers

There are no major customers that contribute more than 10% (FY2011 : Nil) of the Group's revenue for the financial year ended 31 March 2012.

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

(a) Higher Education business revenue decreased by \$2.7 million to \$31.7 million. The decline was mainly due to the lower number of recruited students for UK, Hong Kong and e-learning operations.

The Corporate Training business revenue decreased by \$1.0 million to \$0.7 million due to the cessation of the Singapore operations during the year and weaker student recruitment for Hong Kong operation. The pre-tax losses stand at \$32,000 instead of \$150,000 last year, mainly due to savings in manpower, rental and other operating costs.

(b) Geographically, APAC's revenue decrease by 39% mainly due to downsizing of Hong Kong operation and absence of Malaysia operation, and the non-current asset reduced by 72% which was mainly due to the disposal of Malaysia property. United Kingdom operation showed a decline of 10% in business due to lower student recruitment during the year, and the non-current asset reduced by 18% which was mainly due to depreciation during the year. Singapore showed 2% growth in revenue and the non-current assets increased by \$1.1 million which relates to improvement to premises for the new city campus and offices.

17 A breakdown of sales as follow :-

	Group		
	FY2012 \$'000	FY2011 \$'000	Change %
Sales reported for first half year	15,599	17,917	-13%
Operating profit after tax before deducting non-controlling interests reported for first half year	194	122	59%
Sales reported for second half year	16,864	18,188	-7%
Operating profit after tax before deducting non-controlling interests reported for second half year	2,848	2,417	18%

18 A breakdown of the total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year as follow :-

	FY2012 \$'000	FY2011 \$'000
Ordinary	NIL	NIL
Preference	NIL	NIL
Total	<u>NIL</u>	<u>NIL</u>

19 Disclosure of person occupying a managerial position in the Issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Issuer pursuant to Rule 704(13) in the format below. If there are no such person, the Issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, Informatics Education Ltd. (the "Company") wishes to inform that there are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

29th May 2012
SINGAPORE