

QUARTERLY 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 period ended 30 June 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		%
	Q1 FY2013	Q1 FY2012	Change
Revenue	5,448	6,885	-21%
Employee benefits expense	(3,086)	(3,709)	-17%
Depreciation of property, plant and equipment	(263)	(154)	71%
Other operating expenses	(3,259)	(4,335)	-25%
Loss from operations	<u>(1,160)</u>	<u>(1,313)</u>	-12%
Interest income	57	32	78%
Loss before taxation	<u>(1,103)</u>	<u>(1,281)</u>	-14%
Taxation	(26)	(4)	N/M
Loss after tax	<u>(1,129)</u>	<u>(1,285)</u>	-12%
Loss attributable to :			
Equity holders of the Company	<u>(1,129)</u>	<u>(1,285)</u>	-12%
	<u>(1,129)</u>	<u>(1,285)</u>	-12%

Consolidated Statement of Comprehensive income

	Group S\$'000		%
	Q1 FY2013	Q1 FY2012	Change
Loss after tax	(1,129)	(1,285)	-12%
Other comprehensive income :			
- Foreign currency translation	<u>(26)</u>	<u>(145)</u>	-82%
Other comprehensive income for the financial period, net of tax	<u>(26)</u>	<u>(145)</u>	-82%
Total comprehensive income for the financial period	<u>(1,155)</u>	<u>(1,430)</u>	-19%
Total comprehensive income attributable to :			
Equity holders of the Company	<u>(1,155)</u>	<u>(1,430)</u>	-19%
	<u>(1,155)</u>	<u>(1,430)</u>	-19%

Group S\$'000		%
Q1 FY2013	Q1 FY2012	Change

(a)(i) **Notes to income statement**

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

Write-back for doubtful debts	(22)	(187)	-88%
Impairment of property, plant and equipment	-	37	-100%
Bad debts written-off	-	70	-100%
Net gain on disposal of property, plant and equipment	(13)	(40)	-68%
Intangible assets written-off	16	-	N/M
Sundry income	(69)	(10)	N/M
Foreign exchange (gain) / loss, net	(19)	131	N/M
Operating lease expenses	842	1,237	-32%
Under provision of tax in respect of prior years	8	-	N/M

(a)(ii) The other operating expenses reduced by \$1.1 million or 25% to \$3.2 million from \$4.3 million as compared with previous corresponding period. This reduction was mainly due to lower direct cost, property tax, utility charges, maintenance costs and absence of relocation costs and overlapping rent.

(a)(iii) Depreciation of property, plant and equipment increased by \$0.1 million or 71% due to improvement to premises and acquisition of plant and equipment for the Singapore new city campus and offices in June 2011.

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 30.06.12	Group S\$'000 31.03.12	Change %	Company S\$'000 30.06.12	Company S\$'000 31.03.12	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	2,123	1,849	15%	977	587	66%
Investment in subsidiaries	-	-	-	22,717	22,717	-
Intangible assets	41	63	-35%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	<u>2,201</u>	<u>1,949</u>	13%	<u>23,694</u>	<u>23,304</u>	2%
CURRENT ASSETS						
Prepayments	912	1,086	-16%	87	398	-78%
Trade and other receivables	3,081	3,330	-7%	3,304	3,383	-2%
Cash and cash equivalents	30,985	31,309	-1%	3,815	4,134	-8%
Restricted cash at bank	182	211	-14%	-	-	-
	<u>35,160</u>	<u>35,936</u>	-2%	<u>7,206</u>	<u>7,915</u>	-9%
CURRENT LIABILITIES						
Fees received in advance	10,107	8,467	19%	171	50	N/M
Deferred income and fees	270	363	-26%	216	303	-29%
Trade and other payables	7,642	8,562	-11%	4,964	5,430	-9%
Provision	270	270	-	148	148	-
Accruals for withholding tax	201	188	7%	199	185	8%
Income tax payable	24	16	50%	-	-	-
	<u>18,514</u>	<u>17,866</u>	4%	<u>5,698</u>	<u>6,116</u>	-7%
NET CURRENT ASSETS	16,646	18,070	-8%	1,508	1,799	-16%
TOTAL NET ASSETS	<u>18,847</u>	<u>20,019</u>	-6%	<u>25,202</u>	<u>25,103</u>	0%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,610	29,566	0%	29,610	29,566	0%
Reserves	(10,763)	(9,547)	13%	(4,408)	(4,463)	-1%
TOTAL EQUITY	<u>18,847</u>	<u>20,019</u>	-6%	<u>25,202</u>	<u>25,103</u>	0%

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	Group
	S\$'000	S\$'000
	Q1 FY2013	Q1 FY2012
Cash flow from operating activities		
Loss before taxation	(1,103)	(1,281)
Adjustments for :		
Amortisation of intangible assets	12	9
Depreciation of property, plant and equipment	263	154
Net gain on disposal of property, plant and equipment	(13)	(40)
Impairment of property, plant and equipment	-	37
Bad debts written-off	-	70
Intangible assets written-off	16	-
Write-back for doubtful debts, net	(22)	(187)
Employee share option (write-back) / expense	(44)	55
Interest income	(57)	(32)
Unrealised exchange (gain) / loss	(43)	51
Operating loss before working capital changes	(991)	(1,164)
Decrease in cash held in escrow account	29	58
Decrease in trade and other receivables	205	404
Increase in fees received in advance	1,640	751
(Decrease) / increase in trade and other payables	(1,174)	430
Cash (used in) / generated from operations	(291)	479
Interest received	1	32
Tax paid	(4)	(4)
Net cash (used in) / generated from operating activities	(294)	507
Cash flow from investing activities		
Acquisition of property, plant and equipment	(131)	(1,305)
Expenditure on intangible fixed assets	(6)	-
Proceeds from disposal of property, plant and equipment	58	239
Net cash used in investing activities	(79)	(1,066)
Cash flow from financing activity		
Proceeds from exercise of employee share options	27	9
Net cash generated from financing activity	27	9
Net decrease in cash and cash equivalents	(346)	(550)
Cash and cash equivalents at the beginning of the financial period	31,309	31,432
Effect of exchange rate changes on opening cash and cash equivalents	22	(66)
Cash and cash equivalents at the end of the financial period	30,985	30,816
Short-term deposits	18,943	18,851
Cash at bank and on hand*	12,042	11,965
	30,985	30,816

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$182,411 (FY2012: \$463,981) held in trust for international students of a subsidiary in Singapore, 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.

Statement of Changes in Equity

	Attributable to equity holders of the Company						
	Share Capital	Accumulated Losses	Employee Share Option Reserve	Translation Reserve	Total Reserves	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group							
Balance at 01.04.12	29,566	(8,517)	394	(1,424)	(9,547)	-	20,019
Loss for the financial period	-	(1,129)	-	-	(1,129)	-	(1,129)
Other comprehensive income for the financial period	-	-	-	(26)	(26)	-	(26)
Total comprehensive income for the financial period	-	(1,129)	-	(26)	(1,155)	-	(1,155)
Exercise of employee share options	44	-	(17)	-	(17)	-	27
Grant of employee share options	-	-	(44)	-	(44)	-	(44)
Expiry of employee share options	-	33	(33)	-	-	-	-
Balance at 30.06.12	29,610	(9,613)	300	(1,450)	(10,763)	-	18,847
Balance at 01.04.11	29,368	(11,559)	377	(2,097)	(13,279)	11	16,100
Loss for the financial period	-	(1,285)	-	-	(1,285)	-	(1,285)
Other comprehensive income for the financial period	-	-	-	(145)	(145)	-	(145)
Total comprehensive income for the financial period	-	(1,285)	-	(145)	(1,430)	-	(1,430)
Exercise of employee share options	9	-	-	-	-	-	9
Grant of employee share options	-	-	55	-	55	-	55
Balance at 30.06.11	29,377	(12,844)	432	(2,242)	(14,654)	11	14,734
Company							
Balance at 01.04.12	29,566	(4,857)	394		(4,463)		25,103
Profit for the financial period	-	116	-		116		116
Other comprehensive income for the financial period	-	-	-		-		-
Total comprehensive income for the financial period	-	116	-		116		116
Exercise of employee share options	44	-	(17)		(17)		27
Grant of employee share options	-	-	(44)		(44)		(44)
Expiry of employee share options	-	33	(33)		-		-
Balance at 30.06.12	29,610	(4,708)	300		(4,408)		25,202
Balance at 01.04.11	29,368	(7,316)	377		(6,939)		22,429
Profit for the financial period	-	97	-		97		97
Other comprehensive income for the financial period	-	-	-		-		-
Total comprehensive income for the financial period	-	97	-		97		97
Exercise of employee share options	9	-	-		-		9
Grant of employee share options	-	-	55		55		55
Balance at 30.06.11	29,377	(7,219)	432		(6,787)		22,590

- 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 3 months ended 30 June 2012, the Company issued:-

- (i) 73,846 new shares at \$0.065 each amounting to \$4,800 due to the exercise of 73,846 share options under the employee share option scheme of the Company and
- (ii) 836,500 new shares at \$0.023 each amounting to \$19,240 due to the exercise of 836,500 share options under the employee share option scheme of the Company and
- (iii) 70,000 new shares at \$0.045 each amounting to \$3,150 due to the exercise of 70,000 share options under the employee share option scheme of the Company and

Hence, as at 30 June 2012, the number of ordinary shares of the Company was 1,440,250,908 (31.03.2012 : 1,439,270,562)

As at 30 June 2012, the outstanding options were as follows:

- 8,829,654 (31.03.2012 : 11,732,500) 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 June 2012	As at end of financial year ended 31 March 2012
Total number of ordinary shares issued	1,440,250,908	1,439,270,562

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 or 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 2012, except for the adoption of the new and revised FRS which are effective for the financial period beginning 1 April 2012.

- 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 2012. 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 Q1 FY2013	Group Q1 FY2012	Change %
Loss per ordinary share			
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.08)	(0.09)	-11%
(b) On a fully diluted basis (cents)	(0.08)	(0.09)	-11%

Loss per share for the financial period ended 30 June 2012 was calculated based on weighted average number of 1,439,298,820 (30 June 2011: 1,435,464,532) ordinary shares.

Loss per share for the financial period ended 30 June 2012 computed on a fully dilutive basis is calculated based on the weighted average number of 1,445,743,620 (30 June 2011: 1,445,753,786) 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		Change	Company		Change
	30.06.12	31.03.12	%	30.06.12	31.03.12	%
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period / year	1.31	1.39	-6%	1.75	1.74	1%

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 \$5.4 million, a decline of \$1.5 million or 21% compared with \$6.9 million in prior corresponding period. The decrease was mainly due to lower students recruitment in Singapore, Sri Lanka and UK. The decline is also contributed by the downsizing of Hong Kong operations.
- (a)(ii) The Group recorded a loss before tax of \$1.1 million, an improvement of \$0.2 million or 14% compared with \$1.3 million in prior corresponding period. The improvement was mainly due to interim savings in unfilled employees position and lower other operating costs recorded in the quarter as explained in para 1(a)(ii), partially offset by lower revenue and higher depreciation cost.
- (b)(i) The Group's fixed assets increased by \$0.3 million or 15% to \$2.1 million as of 30 June 2012, mainly due to capitalization of the new IT system and purchase of other fixed assets for the Singapore operations (\$0.6m), which was partially offset by depreciation for the financial period (\$0.3 million). The Company's fixed assets increased by \$0.4 million or 66% to \$1.0 million as of 30 June 2012, mainly due to the capitalization of the new IT system, which was partially offset by depreciation for the financial period.
- (b)(ii) Intangible assets decreased by \$22,000 or 35% to \$41,000 as of 30 June 2012, mainly due to amortization.
- (b)(iii) Prepayments decreased by \$0.2 million or 16% to \$0.9 million and \$0.3 million or 78% to \$0.1 million as of 30 June 2012 for the Group and Company respectively, mainly due to the capitalization of prepayment for new IT system (\$0.3 million). The decline for the Group's was however, partially offset by prepayment of University fees (\$0.1 million) during the quarter.
- (b)(iv) Trade and other receivables decreased by \$0.2 million or 7% to \$3.1 million and \$0.1 million or 2% to \$3.3 million as of 30 June 2012 for the Group and Company respectively, mainly due to receipts from debtors (\$0.1 million). In addition, a refund of deposit (\$0.1 million) further contributed to the decline of trade and other receivables for the Group.
- (b)(v) The restricted cash at bank decreased by \$29,000 to \$182,000 as of 30 June 2012, due to utilisation. The current student fee protection scheme in Singapore utilises insurance coverage instead of the escrow bank account.
- (b)(vi) The Group's and Company's cash and cash equivalent both declined by \$0.3 million to \$31.0 million and \$3.8 million as of 30 June 2012 respectively, mainly due to the purchase of fixed assets and payment to vendors.
- (b)(vii) Deferred income and fees as of 30 June 2012 for both the Group and the Company decreased by \$0.1 million, mainly due to utilisation during the quarter.
- (b)(viii) The Group's fees received in advance increased by \$1.6 million to \$10.1 million as of 30 June 2012 from \$8.5 million as of 31 March 2012, mainly due to the increase in course fee collection by the Singapore school operations
- (b)(ix) Trade and other payable balances declined by \$0.9 million or 11% to \$7.6 million and \$0.4 million or 9% to \$5.0 million for the Group and Company respectively, mainly due to lower payables during the financial 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.

The Group will remain vigilant to ensure that our programs and course structure remain relevant to better meet the global demands.

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 or 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 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 August 2012
SINGAPORE