

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 31 December 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			Group		
	Q3 FY2013	Q3 FY2012	% Change	9M FY2013	9M FY2012	% Change
Revenue	6,245	7,642	-18%	19,858	23,241	-15%
Employee benefits expense	(2,636)	(3,071)	-14%	(8,103)	(9,844)	-18%
Depreciation of property, plant and equipment	(268)	(225)	19%	(797)	(615)	30%
Other operating expenses	(3,531)	(2,868)	23%	(11,708)	(11,793)	-1%
(Loss) / profit from operations	<u>(190)</u>	<u>1,478</u>	N/M	<u>(750)</u>	<u>989</u>	N/M
Interest income	51	53	-4%	159	131	21%
(Loss) / profit before taxation	<u>(139)</u>	<u>1,531</u>	N/M	<u>(591)</u>	<u>1,120</u>	N/M
Taxation	(17)	(33)	-48%	(56)	572	N/M
(Loss) / profit after tax	<u>(156)</u>	<u>1,498</u>	N/M	<u>(647)</u>	<u>1,692</u>	N/M
(Loss) / profit attributable to :						
Equity holders of the Company	<u>(156)</u>	<u>1,498</u>	N/M	<u>(647)</u>	<u>1,692</u>	N/M
	<u>(156)</u>	<u>1,498</u>	N/M	<u>(647)</u>	<u>1,692</u>	N/M

Consolidated Statement of Comprehensive income

	Group			Group		
	Q3 FY2013	Q3 FY2012	% Change	9M FY2013	9M FY2012	% Change
(Loss) / profit after tax	(156)	1,498	N/M	(647)	1,692	N/M
Other comprehensive income :						
- Foreign currency translation	<u>(7)</u>	<u>(1)</u>	N/M	<u>257</u>	<u>(586)</u>	N/M
Other comprehensive income for the financial period, net of tax	<u>(7)</u>	<u>(1)</u>	N/M	<u>257</u>	<u>(586)</u>	N/M
Total comprehensive income for the financial period	<u>(163)</u>	<u>1,497</u>	N/M	<u>(390)</u>	<u>1,106</u>	N/M
Total comprehensive income attributable to :						
Equity holders of the Company	<u>(163)</u>	<u>1,497</u>	N/M	<u>(390)</u>	<u>1,106</u>	N/M
	<u>(163)</u>	<u>1,497</u>	N/M	<u>(390)</u>	<u>1,106</u>	N/M

(a)(i) Notes to income statement

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

	Group			Group		
	Q3 FY2013	Q3 FY2012	Change	9M FY2013	9M FY2012	Change
Allowance / (Write-back) for doubtful debts	140	(106)	N/M	511	(137)	N/M
Impairment of property, plant and equipment	-	-	N/M	-	37	-100%
Bad debts written-off	-	113	-100%	1	205	-100%
Net (gain) / loss on disposal of property, plant and equipment	(4)	35	N/M	16	(3)	N/M
Sundry income	(82)	(23)	N/M	(262)	(44)	N/M
Foreign exchange loss / (gain), net	13	(12)	N/M	325	(160)	N/M
Operating lease expenses	805	836	-4%	2,486	3,042	-18%
Under provision of tax in respect of prior years	-	-	N/M	8	-	N/M

- (a)(ii) The other operating expenses increased by \$0.66 million or 23% to \$3.53 million from \$2.87 million as compared with previous corresponding period. The increase was mainly due to absence of one-off write back of provision relating to phase out products and higher doubtful debt provision, partially offset by absence of bad debt written-off and Productivity and Innovation Credit (PIC) received.

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			Company		
	31.12.12	31.03.12	Change %	31.12.12	31.03.12	Change %
NON-CURRENT ASSETS						
Property, plant and equipment	1,938	1,849	5%	800	587	36%
Investment in subsidiaries	-	-	-	22,717	22,717	-
Intangible assets	54	63	-14%	-	-	-
Deferred tax assets	37	37	-	-	-	-
	2,029	1,949	4%	23,517	23,304	1%
CURRENT ASSETS						
Prepayments	1,156	1,086	6%	97	398	-76%
Trade and other receivables	2,732	3,330	-18%	4,167	3,383	23%
Cash and cash equivalents	30,945	31,309	-1%	3,398	4,134	-18%
Restricted cash at bank	163	211	-23%	-	-	-
	34,996	35,936	-3%	7,662	7,915	-3%
CURRENT LIABILITIES						
Fees received in advance	8,642	8,467	2%	68	50	36%
Deferred income and fees	347	363	-4%	216	303	-29%
Trade and other payables	7,824	8,562	-9%	4,731	5,430	-13%
Provision	270	270	-	148	148	-
Accruals for withholding tax	230	188	22%	227	185	23%
Income tax payable	24	16	50%	-	-	-
	17,337	17,866	-3%	5,390	6,116	-12%
NET CURRENT ASSETS	17,659	18,070	-2%	2,272	1,799	26%
TOTAL NET ASSETS	19,688	20,019	-2%	25,789	25,103	3%
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY						
Share capital	29,716	29,566	1%	29,716	29,566	1%
Reserves	(10,028)	(9,547)	5%	(3,927)	(4,463)	-12%
TOTAL EQUITY	19,688	20,019	-2%	25,789	25,103	3%

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 FY2013	Q3 FY2012	9M FY2013	9M FY2012
Cash flow from operating activities				
(Loss) / profit before taxation	(139)	1,531	(591)	1,120
Adjustments for :				
Amortisation of intangible assets	10	14	36	40
Depreciation of property, plant and equipment	268	225	797	615
Net (gain) / loss on disposal of property, plant and equipment	(4)	35	16	(3)
Impairment of property, plant and equipment	-	-	-	37
Bad debts written-off	-	113	1	205
Allowance / (Write-back) for doubtful debts	140	(106)	511	(137)
Employee share option expense / (write-back)	5	(76)	(33)	110
Interest income	(51)	(53)	(159)	(131)
Unrealised exchange (gain) / loss	(8)	(6)	339	(623)
Operating profit before working capital changes	221	1,677	917	1,233
Decrease in cash held in escrow account	7	140	48	260
Decrease / (Increase) in trade and other receivables	422	711	(355)	675
(Decrease) / Increase in fees received in advance	(602)	(835)	175	(461)
Increase / (Decrease) in trade and other payables	611	(1,798)	(831)	(2,283)
Cash generated from / (used in) operations	659	(105)	(46)	(576)
Interest received	42	53	234	131
Tax refund / (paid)	7	(13)	(6)	560
Net cash generated from / (used in) operating activities	708	(65)	182	115
Cash flow from investing activities				
Acquisition of property, plant and equipment	(180)	(37)	(602)	(1,668)
Expenditure on intangible fixed assets	-	-	(28)	(69)
Proceeds from disposal of property, plant and equipment	4	73	69	313
Net cash (used in) / generated from investing activities	(176)	36	(561)	(1,424)
Cash flow from financing activity				
Proceeds from exercise of employee share options	65	-	92	9
Capital refund to non-controlling interest	-	-	-	(11)
Net cash generated from / (used in) financing activity	65	-	92	(2)
Net increase / (decrease) in cash and cash equivalents	597	(29)	(287)	(1,311)
Cash and cash equivalents at the beginning of the financial period	30,345	30,194	31,309	31,432
Effect of exchange rate changes on opening cash and cash equivalents	3	4	(77)	48
Cash and cash equivalents at the end of the financial period	30,945	30,169	30,945	30,169
Short-term deposits	19,133	18,936	19,133	18,936
Cash at bank and on hand*	11,812	11,233	11,812	11,233
	30,945	30,169	30,945	30,169

Notes to Cash Flow Statement

* Cash at bank and on hand exclude \$162,713 (Q3 FY2012: \$261,596) 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	-	(491)	-	-	(491)	-	(491)
Other comprehensive income for the financial period	-	-	-	264	264	-	264
Total comprehensive income for the financial period	-	(491)	-	264	(227)	-	(227)
Exercise of employee share options	44	-	(17)	-	(17)	-	27
Grant of employee share options	-	-	(38)	-	(38)	-	(38)
Expiry of employee share options	-	33	(33)	-	-	-	-
Balance at 30.09.12	29,610	(8,975)	306	(1,160)	(9,829)	-	19,781
Loss for the financial period	-	(156)	-	-	(156)	-	(156)
Other comprehensive income for the financial period	-	-	-	(7)	(7)	-	(7)
Total comprehensive income for the financial period	-	(156)	-	(7)	(163)	-	(163)
Exercise of employee share options	106	-	(41)	-	(41)	-	65
Grant of employee share options	-	-	5	-	5	-	5
Expiry of employee share options	-	24	(24)	-	-	-	-
Balance at 31.12.12	29,716	(9,107)	246	(1,167)	(10,028)	-	19,688
Balance at 01.04.11	29,368	(11,559)	377	(2,097)	(13,279)	11	16,100
Loss for the financial period	-	194	-	-	194	-	194
Other comprehensive income for the financial period	-	-	-	(585)	(585)	-	(585)
Total comprehensive income for the financial period	-	194	-	(585)	(391)	-	(391)
Exercise of employee share options	9	-	-	-	-	-	9
Grant of employee share options	-	-	186	-	186	-	186
Capital refund to non-controlling interest	-	-	-	-	-	(11)	(11)
Balance at 30.09.11	29,377	(11,365)	563	(2,682)	(13,484)	-	15,893
Profit for the financial period	-	1,498	-	-	1,498	-	1,498
Other comprehensive income for the financial period	-	-	-	(1)	(1)	-	(1)
Total comprehensive income for the financial period	-	1,498	-	(1)	1,497	-	1,497
Exercise of employee share options	-	-	-	-	-	-	-
Grant of employee share options	-	-	(76)	-	(76)	-	(76)
Balance at 31.12.11	29,377	(9,867)	487	(2,683)	(12,063)	-	17,314

- 1 (d)(i)

	Share Capital	Accumulated Losses	Employee Share Option Reserve	Total Reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	Company				
Balance at 01.04.12	29,566	(4,857)	394	(4,463)	25,103
Profit for the financial period	-	583	-	583	583
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	583	-	583	583
Exercise of employee share options	44	-	(17)	(17)	27
Grant of employee share options	-	-	(38)	(38)	(38)
Expiry of employee share options	-	33	(33)	-	-
Balance at 30.09.12	29,610	(4,241)	306	(3,935)	25,675
Profit for the financial period	-	44	-	44	44
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	44	-	44	44
Exercise of employee share options	106	-	(41)	(41)	65
Grant of employee share options	-	-	5	5	5
Expiry of employee share options	-	24	(24)	-	-
Balance at 31.12.12	29,716	(4,173)	246	(3,927)	25,789
Balance at 01.04.11	29,368	(7,316)	377	(6,939)	22,429
Profit for the financial period	-	996	-	996	996
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	996	-	996	996
Exercise of employee share options	9	-	-	-	9
Grant of employee share options	-	-	186	186	186
Balance at 30.09.11	29,377	(6,320)	563	(5,757)	23,620
Profit for the financial period	-	1,982	-	1,982	1,982
Other comprehensive income for the financial period	-	-	-	-	-
Total comprehensive income for the financial period	-	1,982	-	1,982	1,982
Grant of employee share options	-	-	(76)	(76)	(76)
Balance at 31.12.11	29,377	(4,338)	487	(3,851)	25,526

- 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 9 months ended 31 December 2012, the Company issued:-

(i) 1,015,096 new shares at \$0.065 each amounting to \$65,981.25 due to the exercise of 1,015,096 share options under the employee share option scheme of the Company and

(ii) 901,500 new shares at \$0.023 each amounting to \$20,734.50 due to the exercise of 901,500 share options under the employee share option scheme of the Company and

(iii) 121,250 new shares at \$0.045 each amounting to \$5,456.25 due to the exercise of 121,250 share options under the employee share option scheme of the Company and

Hence, as at 31 December 2012, the number of ordinary shares of the Company was 1,440,250,908 (30.09.2011 : 1,435,619,312)

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

- 7,028,000 (30.09.2011 : 16,069,000) 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 2012	As at end of financial year ended 31 March 2012
Total number of ordinary shares issued	1,441,308,408	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 :-**

	<u>Group</u> <u>Q3 FY2013</u>	<u>Group</u> <u>Q3 FY2012</u>	<u>Change</u> <u>%</u>	<u>Group</u> <u>9M FY2013</u>	<u>Group</u> <u>9M FY2012</u>	<u>Change</u> <u>%</u>
(Loss) / Earnings per ordinary share						
(a) Based on weighted average number of ordinary shares on issue (cents)	(0.01)	0.10	N/M	(0.04)	0.12	N/M
(b) On a fully diluted basis (cents)	(0.01)	0.10	N/M	(0.04)	0.12	N/M

(Loss) / Earnings per share for the financial period ended 31 December 2012 was calculated based on weighted average number of 1,439,875,789 (31 December 2011: 1,435,568,094) ordinary shares.

(Loss) / Earnings per share for the financial period ended 31 December 2012 computed on a fully dilutive basis is calculated based on the weighted average number of 1,442,852,279 (31 December 2011: 1,439,385,942) 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

	<u>Group</u>		<u>Change</u> <u>%</u>	<u>Company</u>		<u>Change</u> <u>%</u>
	<u>31.12.12</u>	<u>31.03.12</u>		<u>31.12.12</u>	<u>31.03.12</u>	
Net asset value per ordinary share (cents) based on existing issued share capital as at the end of the financial period / year	1.37	1.39	-1%	1.79	1.74	3%

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 \$6.2 million, a decline of \$1.4 million or 18% compared with \$7.6 million in prior corresponding period. The decrease was mainly due to lower student recruitment from the Singapore and UK school operations plus the downsizing of operations in Hong Kong.
- (a)(ii) The Group recorded a loss before tax of \$0.1 million compared with a pre tax profit of \$1.5 million in the prior corresponding period. The decline was mainly due to the absence of a one-off write back of provision relating to phased out products, lower revenue and higher doubtful debt provision.
- (b)(i) The Group's fixed assets increased by \$0.1 million or 5% to \$1.9 million as at 31 December 2012, mainly due to investments in IT infrastructure and fixed assets for the UK and Singapore operations.
- (b)(ii) The Group's trade and other receivables decreased by \$0.6 million or 18% to \$2.7 million as at 31 December 2012 mainly due to lower billings and higher provision for doubtful debts.
- (b)(iii) Group's trade and other payable balances declined by \$0.7 million or 9% to \$7.8 million 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 continue to build organisational capabilities to meet the demands of the markets. The Board is in the process of identifying a suitable replacement for the Chief Executive Officer. In the interim, the Board will take a more active role in the day-to-day management of the company.

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

Dato' Tan Yeong Ching
Chairman

7th February 2013
SINGAPORE