

## **NZX/ASX RELEASE**

22 December 2016

### **IQE – CONFIRMATION OF 2017 TEC FUNDING AND BUSINESS UPDATE**

- 2017 TEC funding confirmed
- TEC report on Quantum expected in the New Year
- New Zealand portfolio reorganisation well progressed
- Awaiting further regulatory updates in Australia
- IQE does not expect to be compliant with banking covenants as at 31 December 2016
- IQE is working closely with its banking partner to restructure the company's debt facilities for 2017

Vocational education provider Intueri Education Group Limited (NZX/ASX: IQE) advises that it has received confirmation of 2017 funding from the Tertiary Education Commission (TEC), which will cover Intueri's planned 2017 mix of programmes in New Zealand.

Intueri has received a positive outcome from a recent TEC audit of New Zealand Institute of Sport (NZIS). The outcome of the TEC review into Information Technology Training Institute (ITTI) is expected in the New Year and Intueri does not anticipate any significant findings. The report on the TEC's investigation of Quantum Education Group is also expected in the New Year.

In New Zealand, Intueri is continuing to reorganise and streamline its operations, with the restructure of the Design and Arts College now completed and confirmation it is relocating at the end of its lease to a shared campus with Avonmore Tertiary Institute in Christchurch. The Dive School divestment process is well progressed and Intueri is continuing to negotiate a legal settlement with the Dive School vendors with regard to pre-ownership legacy issues.

The amalgamation of a number of Intueri's New Zealand colleges into one Private Training Establishment, Intueri Education New Zealand Limited (IENZ), has successfully completed, providing funding flexibility and cost efficiencies. Moving forward into 2017, most of Intueri's well known vocational education brands will operate under the management of IENZ, and the company will also continue to offer programmes through the NZIS group and NSIA (Intueri's Culinary and Hospitality Institute). Other recent developments within IENZ include the merger of the Elite beauty school and Cut Above campuses in central Auckland; the phasing out of the ITTI brand and the transfer of programmes to the Academy brand; and the launch of the new look Academy branding.

In Australia, the regulatory uncertainty continues for all vocational education providers in the sector, with Intueri awaiting a response on several regulatory matters including provisional approval to join the new VET Student Loan scheme and a response from the Australian Skills Quality Authority (ASQA) regarding Intueri's response to ASQA's recent audits.

As advised previously, Intueri is reviewing its banking arrangements as it is not expecting to be compliant with its banking covenants for the quarter ending 31 December 2016. Intueri's banking partner remains supportive of the company and is working closely with Intueri to restructure its debt facilities for 2017.

Interim CEO of Intueri, Rod Marvin, said: "It has been a turbulent year for the vocational education sector. Intueri has undergone significant change as we focus on streamlining our organisation, resolving legacy issues and positioning the company for the future. While the sector is now

significantly different to what it was twelve months ago, we have made good progress in stabilizing our company and we are focused on achieving our 2017 business targets.”

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**About Intueri:**

Intueri Education is a New Zealand headquartered group of private training establishments delivering vocational education to students in New Zealand and Australia and from around the world. We provide industry-appropriate courses and qualifications across a diverse range of industries, working closely with those industries to ensure training remains relevant and employment-outcome focused. Intueri is listed under the ticker symbol IQE.