

NZX/ASX RELEASE

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INTUERI TRADING UPDATE

Vocational education provider, Intueri Education Group Limited (Intueri) today provides an update to the market on its first half trading performance and expected earnings for the full year to 31 December 2015. The company plans to release its unaudited interim results for the six months to 30 June 2015 on 20 August 2015.

First half performance, for the six months to 30 June 2015, is in line with trends previously stated to the market, with excellent revenue growth in Online, strong growth in International and a soft Domestic performance.

Online Courses Australia (OCA) is demonstrating excellent growth in a period of regulatory reform, as it delivers an increasing number of higher value Diploma courses and drives student enrolments.

In New Zealand, Intueri's International sector is delivering strong growth. Capacity has been increased at NSIA-The Professional Hospitality Academy to take advantage of continuing demand for this highly regarded provider.

Previously stated trends are ongoing in the New Zealand Domestic sector, with a strong local labour market affecting domestic student recruitment in Foundation and Youth Guarantee courses. A slower rebound in Christchurch is continuing to affect enrolments at the Design and Arts College, and the ongoing consequences around legacy issues at the Dive School have affected its enrolments.

Intueri's determination to deliver quality outcomes for students, including more robust enrolment prerequisites and additional measures to ensure successful course completion, is impacting Quantum Education Group (Quantum) financial performance.

Taking this and the expected timing of earnings from new acquisitions into account, the company now anticipates FY15 underlying EBITAⁱ to be in the range of NZD\$27m to NZD\$29m (down from earlier guidance of the lower end of the forecast range of NZD\$30m to NZD\$33m), primarily as a result of the softer Quantum Domestic revenues as well as higher than expected costs associated with the company's quality and compliance drive.

Intueri has now acquired four colleges since listing in May 2014, with settlement on the New Zealand Institute of Sport, along with its subsidiary The New Zealand College of Massage, expected in October 2015 following customary approvals. This increases the company's expected annualised revenue to more than NZD\$100m and annualised earnings above NZD\$30m.

Intueri CEO Rob Facer said: "Given our prevailing growth strategy, we are pleased with the performance of our Online and International sectors. A number of initiatives are underway to mitigate the soft performance in our Domestic sector, including the operational integration of our Academy and Quantum colleges which will enable additional benefits, such as the roll-out of Youth Guarantee programmes in regional centres. A review of sites and premises across the country to ensure optimum use is also underway.

"Ensuring quality outcomes for students, including improved student achievement and enhanced relevance of programmes, is at the heart of the company's strategy. This has resulted in a number of reforms at Quantum which are impacting on recruitment and completions but will provide long

term, sustainable benefits to our company, and more importantly, result in better outcomes for a greater number of students.

“We expect to start seeing the benefits of these initiatives flowing from the second half.”

Intueri Chairman Chris Kelly said: “We remain confident in our strategy to take advantage of the \$10 billion-plus trans-Tasman tertiary education sector through pursuing growth, driving operational efficiencies, leveraging technology and delivering quality outcomes for students.

“Management’s priority is to put in place initiatives to improve sustainable operational performance and enable the company to continue building earnings across all areas of our business.

“It is not expected that there will be any changes to the Intueri Dividend Policy as a result of this update.

“The vocational education market represents an attractive investment proposition and we are continuing to identify and assess further acquisitions which will add value to our shareholders.”

Further detail will be provided by the company in its interim results announcement on 20 August 2015.

-ENDS-

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About Intueri:

Intueri Education Group (IQE) is a New Zealand headquartered education group dual listed on the New Zealand and Australian stock exchanges and delivering vocational education to students in New Zealand, Australia and from around the world.

ⁱ Underlying EBITA is Earnings Before Interest, Tax, Amortisation of Acquired Intangibles and Acquisition Costs. It is a non-GAAP measure. The Board believes underlying EBITA provides the most appropriate measure of Intueri’s operating performance.