Intueri Education Group Limited	
Results for announcement to the market	
Reporting Period	six months to 30 June 2016
Previous Reporting Period	six months to 30 June 2015

	Amount (000s)	Percentage change
Revenue from ordinary activities	$NZ 50,080	17%
Profit (loss) from ordinary activities after tax attributable to security holder	$NZ 3,537	(42%)
Net profit (loss) attributable to security holders	$NZ 3,537	(42%)
Earnings per share (NZ cents per share)	$NZ 3.8cps	(38%)

	Reporting Period	Previous Reporting Period
Net Tangible Assets per security (NZ cents per share)	$NZ (59.09)cps	$NZ (46.21)cps

Interim/Final Dividend	Amount per security	Imputed amount per security
Interim Ordinary dividend	Nil	Nil
Supplementary dividend for non resident investors holding less than 10% shareholding	Nil	Nil

Record Date	n/a
Dividend Payment Date	n/a

Comments:	This has been a period of continued revenue growth for Intueri. The Revenue growth has primarily come from growth in Intueri’s International and Online segments, and a full six month’s contribution from the acquisitions that were made in 2015 (Information Technology Training Institute, IT Training Limited, NZ Institute of Sport and NZ College of Massage) Operating profit $NZ 5,931 was at a similar level to the previous reporting period $NZ 6,713 even though the previous reporting period included

	other income of $NZ 2,087 which did not occur in the 2016 reporting period. Net Profit of $NZ 3,537 was 42% below the previous reporting period as the prior reporting period included higher other income and finance income. For commentary on the interim results, please refer to the interim results announcement. Appendix 4D should be read in conjunction with the unaudited interim financial statements for the six months ended 30 June 2016. See also other attached documents (results announcement and results presentation).

INTUERI
Education Group

INTERIM REPORT 2016

This report is dated 28th August 2016.

Contents

Chairman and CEO Report

Half Year Review

It has been more than two years since listing our diversified portfolio of Australian and New Zealand schools. During this time, we have been faced with a number of operational, regulatory and legacy challenges.

Notwithstanding this, Intueri continues to trade profitably and reported a result for the six months to 30 June 2016 that is in line with the prior comparable period of 1H15 (pcp).

We have shown strong first half growth in our Australian business, international student revenue is up on pcp and cost saving initiatives are on track.

We are building a more stable, long term business and much of our energy in the first half of 2016 has been spent ensuring we are appropriately structured for the future with plans underway to amalgamate some of our New Zealand schools and provide a more targeted approach to our education offer.

We are also focussing on cost savings and effectively servicing and reducing debt. We continue to maintain a supportive relationship with our banking partner and have recently agreed modified covenant terms to accommodate Intueri's latest financial outlook.

Total net student enrolments were down 29% on the pcp with all sectors experiencing lower enrolment rates, due to a mix of enrolment restrictions, funding caps, tightening immigration requirements and a reduction in demand for some courses.

Vocational provision remains an essential part of the tertiary education sector both in New Zealand and Australia and Intueri is committed to exceeding regulatory responsibilities and delivering quality education.

New Zealand Domestic

Early in the year, we undertook a review to ensure our Domestic sector is appropriately structured to meet student demand and funding provision. This has led to a rationalisation and restructure of our New Zealand portfolio.

Our Quantum business is being condensed to address the current reduction in funding which has more than halved the number of domestic students we are permitted to enrol at this school. The Design & Arts College, which has struggled for a number of years, is being rationalised from three campuses to just one in Christchurch where the College has been based for 30+ years and provision has been simplified in line with predicted student demand. A review of the Dive School, a niche provider that provides few synergies, has commenced and a divestment process is currently underway.

As part of our Domestic rationalisation programme, we are looking at amalgamating a number of our New Zealand colleges into a combined Private Training Establishment (PTE) which will provide scale benefits and funding flexibility.

Cost saving initiatives are on track and savings will start to flow through in the second half of FY16, with the full benefits expected to be realised in FY17.

Domestic enrolments for the six months were down 33% with the positive growth at a number of Intueri's New Zealand schools offset by the enrolment restrictions and reduced demand at the Design & Arts College, the Dive School and Quantum. Revenue was down 10% to $19.7m reflecting the mix in provision and changes in funding.

Intueri has always maintained that quality is our differentiator; and in New Zealand, this message is being increasingly confirmed throughout the PTE sector by regulatory bodies such as the Tertiary Education Commission (TEC) and the New Zealand Qualification Authority (NZQA). The ability to bear the cost of compliance and support quality best practice continues to benefit the individual schools in our Group.

In 1H16, The Cut Above Academy retained its Category 1 status. NSIA – The Professional Hospitality Academy has moved from Category 2 to Category 1 and a draft NZQA report confirming NZIS' current Category 1 status is due to be finalised shortly.

We continue to work through legacy matters. The TEC review of the Dive School was resolved in 1H16 and we are advancing legal options to recover costs from the original vendors. The health and safety court proceedings were also concluded in 1H16 following a fatality at the school in 2014.

We expect the TEC review of Quantum to conclude in the coming months but have been unable to get a specific indication from the Serious Fraud Office (SFO) as to the timing of their enquiry into Quantum. We assume that this will be progressed once the TEC review is concluded.

New Zealand International

The international student market is New Zealand's fifth largest export category with students from India growing in increasing numbers in recent years. However, this has slowed in recent months due to tightening immigration requirements and increased oversight by Immigration New Zealand (INZ).

We work closely with INZ to ensure the agents we work with in the sub-continent market are deemed reputable; and are also investing into our internal and off shore recruitment capabilities, providing us with greater oversight and control.

The Indian sub-continent remains an attractive long term market and we are committing in-market resources to this as well as building demand in China and South East Asia.

Net enrolments for the six months were down 7%, while revenue was up 8% to $10.9m following the strong enrolment growth in 2015.

Australia Online

In Australia, there have been wide-ranging regulatory reforms and 2016 VET FEE-HELP (VFH) funding has been capped. As a result, Australia Online enrolments for the six months were down 34%. However, revenue was up 90% to $18.0m as fees were received from the high number of students enrolling in the second half of 2015.

The impact of the VFH funding cap will be more obvious in the second half of this year as the ability to enrol new students this year is restricted. We have applied to increase our 2016 VFH funding cap by A$6m.

We are also progressing a number of other opportunities for growth in online learning, including the provision of services to other organisations. These are forecast to boost revenues, but come at a lower margin.

Our Australian costs are expected to increase in 2H16 due to additional investment into learning support and infrastructure ahead of anticipated regulatory changes in FY17.

SECOND HALF OUTLOOK

We are heading into the second half of the year with a clear strategy and plan in place. Our focus is on right-sizing and restructuring our organisation to meet the changing regulatory and operating environment. We have a number of initiatives underway and expect to see initial benefits in the 2H16 with full benefits being realised from FY17 onwards.

We remain focused on the delivery of a quality educational service and identifying additional opportunities for growth within existing schools.

We are on track to generate the target level of $5m of cost savings in New Zealand in 2016, and $8m of annualised savings from 2017 onwards. Based on current trading this would translate into an annualised EBITDA in excess of $18m.

A softer second half of the year is anticipated, primarily due to lower Domestic enrolments as the rationalisation of courses at Quantum and the Design & Arts College takes effect; a slowdown in International student enrolments; and lower Online enrolments in line with the VFH funding cap.

Favourable cash flow is expected in the second half, subject to confirmation of the uplift in the VFH funding cap and receipt of a final 2015 VFH payment of A$4.3m. This will enable debt as at 30 June 2016 to reduce by $7m-8m by year end.

Intueri and its bank have agreed modified covenant terms to accommodate Intueri's latest outlook. In conjunction with the amended covenants, the Board has decided to continue to suspend dividends whilst focussing on reduction in debt.

Subject to confirmation of the A$6m lift in the VFH funding cap, underlying EBITDA for the full year to 31 December 2016 is expected to be approximately $15m (FY15: $23.5m).

A recruitment process is underway for a permanent CEO, following the departure of Rob Facer. In the meantime, the company is being ably led by Rod Marvin, the company's CFO and Interim CEO.

Intueri continues to trade profitably and the initiatives being undertaken this year will strengthen the organisation creating a solid platform for future growth.

C. M. Kelly

Chris Kelly
CHAIRMAN

Rod Marvin
INTERIM CEO

Strategic Initiatives and Progress

	FIRST HALF 2016	SECOND HALF 2016 FOCUS
Domestic Segment	• Initiated review of Domestic portfolio, followed by rationalisation and restructure of both Quantum and the Design & Arts College • Strategic review of the Dive School, with expressions of interest being sought to acquire this college	• Amalgamation of a number of NZ colleges into a combined Private Training Establishment (PTE) which will provide scale benefits and funding flexibility • Finalise the divestment process around the Dive School • Centralisation of Domestic recruitment function and implementation of new Customer Relationship Management (CRM) system
Online Segment	• Applied to increase VET FEE-HELP funding cap by A$6 million and progressed a number of other opportunities for growth in online learning, including the provision of services to other organisations • Increase focus on student support to assist with learner progression	• Drive new enrolments across all revenue streams and increase focus on learner support and infrastructure
International Segment	• Committed resources to the long term opportunity in Indian sub-continent as well as building demand in China and South East Asia	• Utilise in-market presence in India and focus on market opportunities in sub-continent, China and South East Asia
Cost Savings	• Cost saving initiatives on track. Savings will start to flow through in the second half of FY16, with the full benefits expected to be realised in FY17	• Continue to implement cost saving initiatives • Debt reduction and cost control
Focus on Quality	• The Cut Above Academy maintains Category 1 status • NSIA upgraded from Category 2 to Category 1 status	• Quality mandate will remain a key thread in our initiatives • Obtain final confirmation of NZIS maintaining Category 1 status
Regulatory	• Continuing to work through legacy matters, with conclusion of the TEC review of the Dive School and the health and safety court case	• Expect to conclude TEC review of Quantum, and that SFO enquiry will be progressed • Complete regulatory reviews and audits of OCA, Conwal, ITTI and NZCM
Governance	• Sean Steele commenced as CEO OCA Group	• Recruitment of a permanent CEO • Establishment of a new Executive LTI scheme • Appointment of Director Nico Marx as consultant for three to six month period

Financial Results Summary

NZ$M	1H 2016	1H 2015	Variance % 1H16 : 1H15
Total Revenue	**50.1**	**42.7**	**17%**
Domestic revenue	19.7	22.0	-10%
International revenue	10.9	10.0	8%
Online revenue	18.0	9.5	90%
Other revenue	1.5	1.2	20%
Direct costs	-10.0	-8.2	22%
Other operating costs	-30.5	-24.0	27%
EBITDA[1]	**9.6**	**12.6**	**-24%**
Underlying EBITDA	**10.0**	**10.5**	**-5%**
Underlying EBITDA Margin	*20.0%*	*24.7%*	
Depreciation and amortisation expenses	-1.3	-0.9	
EBITA[2]	8.4	11.7	
Amortisation on acquired intangibles	-2.4	-5.0	
Operating profit before net finance costs	**5.9**	**6.7**	**-11%**
Net interest expense	-1.6	-0.9	
Other finance income/expense	1.1	1.9	
Profit before income tax	**5.4**	**7.7**	**-29%**
Income tax expense	-1.9	-1.7	
Net Profit After Tax	**3.5**	**6.1**	**-42%**
Net Profit After Tax before Amortisation (NPATA)[3]	**4.2**	**7.7**	**-45%**

Intueri continues to trade profitably and delivered a solid first half earnings performance at a similar level to the pcp, with results in line with the guidance provided on 5 August 2016.

Revenue for the six-month period was $50.1m, up 17% on pcp, with Online revenue almost doubling and a small increase in International revenue. Performance from the Domestic sector was mixed with positive growth from a number of schools offset by declines in the colleges currently being restructured.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was $9.6m, down from $12.6m in the pcp. Underlying EBITDA was $10.0m (excluding a $0.4m addition to the sum previously provided for the refund to the TEC in relation to the Dive School review) compared to $10.5m in the pcp.

Net Profit After Tax was $3.5m (1H15: $6.1m) with NPATA of $4.2m (1H15: $7.7m). The variance was largely due to a higher level of finance and other income in FY15 associated with Dive School provision and deferred consideration on acquisitions.

Operating costs increased following the acquisition of two schools during 2015. Cost saving initiatives are on track and initial benefits are starting to flow from the restructuring programme, notably in Quantum.

Cashflow from operations was $0.5m, which was impacted by the timing of VET FEE-HELP (VFH) payments and the associated $8.1m increase in the amount of VFH receivables owed from the Australian Department of Education.

Net debt increased to $72.6m, largely as a result of acquisition payments, with a corresponding increase in interest expense. Intueri remains focused on effectively servicing and reducing debt and continues to maintain a supportive relationship with its banking partner. Intueri and its bank have agreed modified covenant terms to accommodate Intueri's latest outlook. In conjunction with the amended covenants, the Board has decided to continue to suspend dividends whilst focussing on reduction in debt.

[1] EBITDA is Earnings Before Interest, Tax, Depreciation and Amortisation. Underlying EBITDA excludes significant non-recurring items (additional Dive School TEC provision and release of Academy Group contingent consideration in 2015). The Board has used underlying EBITDA as the basis for its management reporting and full year profit guidance as it believes this provides the most appropriate measure of Intueri's operating performance

[2] EBITA is Earnings Before Interest, Tax and Amortisation of acquired intangibles.

[3] NPATA is Net Profit After Tax before post tax Amortisation of acquired intangibles and non interest finance income & expenses. The Board believes NPATA provides a better comparable measure of its operating performance and cashflow.

EBITDA, underlying EBITDA, EBITA and NPATA are non-GAAP financial measures and are not prepared in accordance with NZ IFRS. More detail on the financial results and reconciliation of non-GAAP to GAAP measures is available in the interim results presentation released to the market on 29 August 2016 and available on the company website www.intueri.co.nz

Financial results reflect earnings from businesses from the time of acquisition. 1H 2016 includes a full six months of all colleges, whilst 1H 2015 includes a full six months of all colleges except for ITTI which was acquired on 1 April 2015, and no earnings from NZIS & NZCM which were acquired on 30 November 2015.

Intueri Education Group Limited and its Controlled Entities
Interim Financial Statements
for the six months ended 30 June 2016

Contents

Company Directory

Principal business	Investment in private training establishments in New Zealand and registered training organisations in Australia
Directors	Christopher Morton Kelly Robert Charles Facer (resigned 5 August 2016) James Alexander Turner Russell John Woodard Nico Andre Marx Alison Mae Paterson
Company Number	**4013538**
Registered office	NEW ZEALAND 100 Symonds St, Grafton Auckland 1010 AUSTRALIA Thomson Greer Level 16, Waterfront Place 1 Eagle Street Brisbane, Queensland 4000
Shareholder Services	NEW ZEALAND Computershare Investor Services Limited Private Bag 92119, Auckland 1142 Phone +64 9 488 8777 Email: enquiry@computershare.co.nz AUSTRALIA Computershare Investor Services Pty Limited Yarra Falls, 452 Johnson Street Abbotsford, Victoria 3001 Phone +61 3 9415 4083 Email: enquiry@computershare.co.nz
Auditor	PricewaterhouseCoopers Private Bag 92162 Auckland New Zealand
Solicitors	Chapman Tripp Minter Ellison
Bankers	ANZ
Date of Formation	17 September 2012
Website address	intueri.co.nz

Intueri Education Group
Directors' Declaration

In the opinion of the Directors of Intueri Education Group Limited (the "Company"), the interim consolidated financial statements and notes set out on pages 13 - 31

(i) comply with generally accepted accounting practice in New Zealand and fairly presents the financial position of the Company and its controlled entities (the "Group") as at 30 June 2016, and the financial performance and the cash flows of the Group for the period ended on that date;

(ii) have been prepared using the appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the consolidated Financial Position of the Group and facilitate compliance of the interim consolidated financial statements with the Financial Reporting Act 1993.

The Directors consider that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the interim consolidated financial statements.

The Board of Directors are pleased to present the interim consolidated financial statements of Intueri Education Group Limited and its controlled entities for the six months ended 30 June 2016, and the independent review report thereon.

Approved for and on behalf of the Board of Directors.

C. M. Kelly

Chairman
28 August 2016

Director
28 August 2016

Independent Review report

To the shareholders of Intueri Education Group Limited

Report on the Interim Financial Statements

We have reviewed the accompanying consolidated interim financial statements of Intueri Education Group Limited ("the Company") on pages 13 to 31 which comprise the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and a summary of significant accounting policies and selected explanatory notes.

Responsibility for the Financial Statements

The Directors of the Company are responsible on behalf of the Company for the preparation and fair presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Company, NZ SRE 2410 also requires us to comply with ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditors perform procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards of Auditing. Accordingly we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the area of treasury advisory services. The provision of these other services has not impaired our independence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements of the Company are not prepared, in all material respects, in accordance with NZ IAS 34.

PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000, F: +64 9 355 8001, pwc.co.nz

Independent Review report

To the shareholders of Intueri Education Group Limited

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 2 to the financial statements which indicates that the Group liabilities exceeded its assets by $2.2 million at 30 June 2016 and that the going concern assumption is dependent on the ability of the Group to continue meeting its obligations under its bank facility agreement. These conditions, along with other matters disclosed in Note 2, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. If the Group is unable to comply with its bank covenants, renegotiate banking facilities or undertake an appropriate capital restructure, the Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants Auckland
29 August 2016

PricewaterhouseCoopers, 188 Quay Street, Private Bag 92162, Auckland 1142, New Zealand
T: +64 9 355 8000, F: +64 9 355 8001, pwc.co.nz

Intueri Education Group
Consolidated statement of comprehensive income
For the six months ended 30 June 2016

	Notes	**Group For six months ended 30 June 2016 (unaudited) $'000**	Group For six months ended 30 June 2015 (unaudited) $'000
Domestic revenue		**19,727**	21,965
International revenue		**10,859**	10,039
Online revenue		**18,000**	9,463
Other revenue		**1,494**	1,248
Total revenue	4	**50,080**	42,715
Other income		**-**	2,087
Cost of materials		**(3,147)**	(2,844)
Agents fees		**(6,833)**	(5,373)
Employee expenses		**(17,818)**	(14,344)
Occupancy expenses		**(5,781)**	(4,151)
Marketing expenses		**(1,903)**	(1,682)
Insurance costs		**(237)**	(182)
IT and communication costs		**(698)**	(545)
Travel costs		**(493)**	(426)
Depreciation and amortisation expenses	8,9	**(3,696)**	(5,919)
Other expenses		**(3,543)**	(2,623)
Operating profit before net finance expense		**5,931**	6,713
Finance expense	5	**(2,955)**	(976)
Finance income	5	**2,421**	1,997
Net finance income / (expense)	5	**(534)**	1,021
Profit before income tax		**5,397**	7,734
Income tax expense		**(1,860)**	(1,683)
Profit for the period		**3,537**	6,051
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Exchange gain arising on translation of foreign operations		**290**	1,085
Other comprehensive income for the period, net of tax		**290**	1,085
Total comprehensive income for the period		**3,827**	7,136
Profit for the period attributable to:			
Owners of Intueri Education Group		**3,537**	6,051
Total comprehensive income for the period attributable to:			
Owners of Intueri Education Group		**3,827**	7,136
Earnings per share attributable to the ordinary equity holders of the parent			
Basic and diluted (cents)		**3.8**	6.1

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410'), issued by the External Reporting Board

Intueri Education Group
Consolidated statement of changes in equity
For the six months ended 30 June 2016

	Attributable to equity holders of the Company						
	Share capital	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Total equity attributable to owners of parent	Non-controlling interest	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2015 (audited)	78,779	4,438	(147)	-	83,070	4,633	87,703
Comprehensive income for the period							
Profit for the period	-	6,051	-	-	6,051	-	6,051
Other comprehensive income:							
Exchange gain arising on translation of foreign operations	-	-	1,085	-	1,085	-	1,085
Total comprehensive income for the period	-	6,051	1,085	-	7,136	-	7,136
Transactions with owners							
Employee share option scheme:							
Value of employee services	-	-	-	36	36	-	36
Acquisition of non-controlling interest in OCA Group	-	(26,450)	-	-	(26,450)	(4,633)	(31,083)
Dividends	-	(7,700)	-	-	(7,700)	-	(7,700)
Total transactions with owners	-	(34,150)	-	36	(34,114)	(4,633)	(38,747)
Balance as at 30 June 2015 (unaudited)	78,779	(23,661)	938	36	56,092	-	56,092

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410'), issued by the External Reporting Board

Intueri Education Group
Consolidated statement of changes in equity
For the six months ended 30 June 2016
(continued)

	Share capital	Retained earnings	Foreign currency translation reserve	Share-based payments reserve	Treasury Shares	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000
Balance as at 1 January 2016 (audited)	78,779	(84,562)	24	86	(279)	(5,952)
Comprehensive income for the period						
Profit for the period	-	3,537	-	-	-	3,537
Other comprehensive income:						
Exchange gain arising on translation of foreign operations	-	-	290	-	-	290
Total comprehensive income for the period	-	3,537	290	-	-	3,827
Transactions with owners						
Employee share option scheme:						
Value of employee services	-	-	-	(86)	-	(86)
Total transactions with owners	-	-	-	(86)	-	(86)
Balance as at 30 June 2016 (unaudited)	78,779	(81,025)	314	-	(279)	(2,211)

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410'), issued by the External Reporting Board

Intueri Education Group
Consolidated statement of financial position
As at 30 June 2016

	Notes	**Group 30 June 2016 (unaudited) $'000**	Group 31 December 2015 (audited) $'000
ASSETS			
Current assets			
Cash and cash equivalents		**463**	732
Inventories		**256**	338
Trade and other receivables	7	**26,445**	20,317
Other current assets		**3,717**	5,273
Current tax receivables		**-**	1,152
Total current assets		**30,881**	27,812
Non-current assets			
Property, plant and equipment	8	**13,268**	13,481
Intangible assets and goodwill	9	**56,881**	59,023
Retention in trust		**500**	500
Total non-current assets		**70,649**	73,004
Total assets		**101,530**	100,816
LIABILITIES			
Current liabilities			
Trade and other payables	10	**6,620**	8,042
Other current liabilities	11	**13,265**	13,810
Current tax liabilities		**584**	-
Interest bearing liabilities	13	**6,471**	33,414
Provisions	14	**-**	1,262
Employee benefits		**1,452**	961
Deferred consideration payable	12	**7,252**	23,262
Total current liabilities		**35,644**	80,751
Non-current liabilities			
Interest bearing liabilities	13	**66,145**	20,000
Employee benefits		**7**	59
Deferred consideration payable	12	**-**	2,056
Deferred tax liabilities		**1,445**	3,402
Retention in trust		**500**	500
Total non-current liabilities		**68,097**	26,017
Total liabilities		**103,741**	106,768
Net liabilities		**(2,211)**	(5,952)
EQUITY			
Share capital		**78,779**	78,779
Translation reserve		**314**	24
Share scheme		**-**	86
Retained earnings		**(81,025)**	(84,562)
Treasury shares		**(279)**	(279)
Total equity		**(2,211)**	(5,952)

For and on behalf of the Board.

C. M. Kelly

Chairman
28 August 2016

Director
28 August 2016

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410'), issued by the External Reporting Board

Intueri Education Group
Consolidated statement of cash flows
For the six months ended 30 June 2016

	Notes	**Group For six months ended 30 June 2016 (unaudited) $'000**	Group For six months ended 30 June 2015 (unaudited) $'000
Cash flows from operating activities			
Receipts from customers		**42,452**	42,060
Payments to suppliers and employees		**(40,021)**	(31,861)
Income tax paid		**(2,080)**	(6,012)
Interest received		**100**	51
Net cash inflow from operating activities		**451**	4,238
Cash flows from investing activities			
Purchase of property, plant & equipment and intangibles	8,9	**(1,847)**	(2,521)
Proceeds from sale of property, plant and equipment		**342**	113
Payment of deferred consideration		**(2,207)**	-
Purchase of subsidiaries / business (net of cash acquired)		**-**	(1,194)
Net cash (outflow) from investing activities		**(3,712)**	(3,602)
Cash flows from financing activities			
Proceeds from borrowings		**21,563**	18,710
Interest paid		**(1,643)**	(994)
Dividends paid to owners of the parent		**-**	(7,700)
Payment of deferred consideration to non-controlling interest		**(16,982)**	-
Acquisition of interest in a subsidiary from non-controlling interest		**-**	(15,838)
Net cash inflow / (outflow) from financing activities		**2,938**	(5,822)
Net (decrease) in cash and cash equivalents		**(323)**	(5,186)
Cash and cash equivalents at the beginning of the period		**732**	7,755
Exchange gains on cash and cash equivalents		**54**	393
Cash and cash equivalents at end of the period		**463**	2,962

These financial statements have not been audited. They have been the subject of review by the auditors pursuant to NZ SRE 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity ('NZ SRE 2410'), issued by the External Reporting Board

1 Reporting entity

Intueri Education Group Limited (the "Company") is a company incorporated and domiciled in New Zealand, registered under the Companies Act 1993, and listed on the New Zealand and Australian Stock Exchanges. The Company is a FMC Reporting Entity under the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

These condensed interim consolidated financial statements comprise the Company and its controlled entities (the "Group"). The consolidated financial statements have been presented for the Group.

The interim consolidated financial statements for the Group are presented for the six months ended 30 June 2016.

The Company's principal activity is investment in private training establishments and the Group's principal activity is the provision of both physical and online private training tuition.

2 Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP), as appropriate for Tier 1 for-profit entities, and in accordance with NZ IAS 34 and IAS 34 Interim Financial Statements.

The Group has applied the same accounting policies and methods of computation in its interim financial statements as in its financial statements for the year ended 31 December 2015.

These financial statements do not include all the information and disclosures required for a complete set of NZ IFRS financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2015. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements as at and for the year ended 31 December 2015.

The Group's management are required to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed below.

The Group's operations are not significantly affected by cyclicality or seasonality.

Going Concern

The Group reported a profit of $3,537,000 and net operating cash inflows of $451,000 for the six months ended 30 June 2016. As at 30 June 2016 the Group had net liabilities of $2,211,000 and net current liabilities of $4,763,000.

The ability of the Group to remain in compliance with its banking covenants has been considered by the Directors in the adoption of the going concern assumption during the preparation of these financial statements. During the period, no breach was identified. Subsequent to the reporting date, the bank covenants have been renegotiated, see note 13 for further information. The Directors forecast that the Group can trade at levels appropriate to meet its bank covenants for the foreseeable future being a period of not less than 12 months from the date of authorisation of these financial statements. In reaching this conclusion, the Directors have considered the achievability of the financial performance and cash flow forecasts approved by the Board, including the appropriateness of the assumptions underlying those forecasts. The key assumptions include revenue levels based on achievement of enrolment targets, continued cost savings from strategic initiatives which are underway, confirmation of the requested uplift in VET FEE-HELP funding and confirmation of funding in both New Zealand and Australia in line with indicative levels.

The Directors acknowledge that there are material uncertainties within the forecast assumptions required to meet its obligations under its banking facility agreement. These uncertainties relate to the achievement of enrolment numbers and cost savings, the confirmation of funding uplift in Australia, and the resolution of current SFO and TEC enquiries (notes 15 and 18) which may cast doubt over the Group's ability to continue as a going concern.

If these uncertainties transpire with a material adverse effect, the Directors also have reasonable expectation that additional headroom in the banking covenants can be negotiated, or an appropriate capital restructure undertaken in order to allow the Group to continue for the foreseeable future.

These financial statements do not include any adjustments that may need to be made to reflect the situation should the Group be unable to continue as a going concern. Such adjustments may include assets being realised at other than the amounts at which they are recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify certain non-current assets and liabilities as current.

3 Use of estimates and judgements

The preparation of interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were the same as those applied to the annual financial statements as at and for the year ended 31 December 2015. Refer to note 9 for the Group's assessment of the appropriateness of the carrying values of intangible assets, and note 12 for deferred consideration.

4 Revenue

(a) *Course revenue*

	Group For six months ended 30 June 2016 (unaudited) $'000	Group For six months ended 30 June 2015 (unaudited) $'000
Revenue from students	**37,937**	32,792
Government grants	**10,649**	8,675
	48,586	41,467

(b) *Other revenue*

	Group For six months ended 30 June 2016 (unaudited) $'000	Group For six months ended 30 June 2015 (unaudited) $'000
Interest on other receivables	**145**	422
Ancillary goods and services to course delivery	**1,349**	826
	1,494	1,248

5 Finance income and expense

	Group For six months ended 30 June 2016 (unaudited) $'000	Group For six months ended 30 June 2015 (unaudited) $'000
Finance expense		
Interest expense	**(1,643)**	(976)
Adjustment including unwinding of discount and exchange differences on deferred contingent consideration	**(1,311)**	-
Finance lease liabilities	**(1)**	-
Total finance expense	**(2,955)**	(976)
Finance income		
Interest income on cash and cash equivalents	**29**	49
Foreign currency gains	**2,392**	-
Adjustment including unwinding of discount and exchange differences on deferred contingent consideration	**-**	1,948
Total finance income	**2,421**	1,997
Net finance income/(expense)	**(534)**	1,021

The adjustment on deferred contingent consideration in the current period relates to the unwinding of the discount on the amount expected to be paid to the former owners of the NZIS Group in 2017, along with unwinding of discount and exchange movements on the amount paid and payable to the former non-controlling interests of OCA Group. Refer to note 12 for more information.

6 Segment information

In accordance with NZ IFRS 8 Operating Segments, the Group has determined that it has two reportable segments, online vocational training and in-class vocational training. These segments offer different services and are managed separately because they require different technology and marketing strategies. The financial information in respect of these segments is reviewed by the Board of Directors which is the chief operating decision maker and makes resource allocation decisions.

	In-class vocational training $'000	Online vocational training $'000	Group Total $'000
30 June 2016			
External revenue	32,036	18,044	50,080
Management fee	1,000	(1,000)	-
Cost of materials	(2,867)	(280)	(3,147)
Agents fees	(2,712)	(4,121)	(6,833)
Employee expenses	(15,259)	(2,559)	(17,818)
Occupancy expenses	(5,577)	(204)	(5,781)
Marketing expenses	(1,050)	(853)	(1,903)
Insurance costs	(225)	(12)	(237)
IT and communications costs	(604)	(94)	(698)
Travel costs	(444)	(49)	(493)
Depreciation and amortisation	(3,214)	(482)	(3,696)
Other expenses	(2,671)	(872)	(3,543)
Intercompany interest	705	(705)	-
Finance income	2,414	7	2,421
Finance expense	(2,470)	(485)	(2,955)
Income tax expense	48	(1,908)	(1,860)
Net profit / (loss) after income tax	(890)	4,427	3,537
Segmental assets/liabilities			
Assets	84,464	17,066	101,530
Liabilities	(101,866)	(1,875)	(103,741)
Net assets / (liabilities)	(17,402)	15,191	(2,211)

	In-class vocational training $'000	Online vocational training $'000	Group Total $'000
30 June 2015			
External revenue	33,241	9,474	42,715
Other income	2,087	-	2,087
Management fee	250	(250)	-
Cost of materials	(2,507)	(337)	(2,844)
Agents fees	(2,731)	(2,642)	(5,373)
Employee expenses	(12,804)	(1,540)	(14,344)
Occupancy expenses	(4,026)	(125)	(4,151)
Marketing expenses	(1,106)	(576)	(1,682)
Insurance costs	(176)	(6)	(182)
IT and communications costs	(440)	(105)	(545)
Travel costs	(395)	(31)	(426)
Depreciation and amortisation	(5,513)	(406)	(5,919)
Other expenses	(2,275)	(348)	(2,623)
Finance income	1,988	9	1,997
Finance expense	(971)	(5)	(976)
Income tax expense	(673)	(1,010)	(1,683)
Net profit after income tax	3,949	2,102	6,051

6 Segment information (continued)

	In-class vocational training $'000	Online vocational training $'000	Group Total $'000
31 December 2015			
Assets	89,618	16,966	106,584
Liabilities	(110,761)	(1,775)	(112,536)
Net assets / (liabilities)	(21,143)	15,191	(5,952)

The reportable segments do not have inter-segment trading and therefore, the total of the reportable segments' amounts reconcile to the consolidated total.

The online vocational training segment is operated in Australia and the in-class vocational training segment is operated in New Zealand. Therefore the information above also presents the Group's revenue and non-current assets by geographic location: online vocational training segment representing Australia; and in-class vocational training segment representing New Zealand.

7 Trade and other receivables

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Trade receivables (net of impairment)	**209**	290
Other receivables	**13,363**	14,897
Retention in trust	**-**	400
Interest receivable	**23**	63
Sundry receivables	**69**	-
VET FEE-HELP receivable	**12,781**	4,667
	26,445	20,317

Other receivables consists mainly of monies held with Public Trust which have not yet been transferred to the Group which will be released in accordance with the Student Fee Protection Trust Deed. The comparative amount has been restated to better reflect consistency with the current period. The amounts receivable from Public Trust for student payments that are within the refund period have been excluded. This does not have any impact on the statement of comprehensive income or net liability position.

VET FEE-HELP receivable relates to the amount due from the Department of Education in Australia for revenue recognised not yet received in cash.

8 Non-current assets - Property, plant and equipment

Cost	**Land at cost $'000**	**Freehold buildings $'000**	**Leasehold improvements $'000**	**Furniture and fittings $'000**	**Motor vehicles $'000**	**Computer equipment $'000**	**Office equipment $'000**	**Plant & equipment $'000**	**Total $'000**
At 1 January 2015	175	410	9,919	1,685	524	1,320	1,046	5,664	20,743
Exchange differences	-	-	-	-	12	-	-	16	28
Acquisition through business combinations	-	-	-	32	-	-	16	-	48
Additions	-	-	1,691	124	-	209	48	175	2,247
Disposals	-	-	(525)	(58)	(63)	(133)	(149)	(804)	(1,732)
Balance at 30 June 2015 (unaudited)	**175**	**410**	**11,085**	**1,783**	**473**	**1,396**	**961**	**5,051**	**21,334**
As at 1 July 2015	175	410	11,085	1,783	473	1,396	961	5,051	21,334
Exchange differences	-	-	(19)	(6)	(3)	-	-	(13)	(41)
Acquired through business combinations	-	-	978	30	106	91	1	252	1,458
Additions	-	-	224	25	12	531	15	468	1,275
Disposals	-	-	(245)	(35)	(97)	(127)	(6)	(233)	(743)
Balance at 31 December 2015 (audited)	**175**	**410**	**12,023**	**1,797**	**491**	**1,891**	**971**	**5,525**	**23,283**
As at 1 January 2016	175	410	12,023	1,797	491	1,891	971	5,525	23,283
Exchange differences	-	-	(6)	(2)	-	-	-	(4)	(12)
Additions	-	-	468	38	49	472	71	166	1,264
Disposals	-	-	(28)	(46)	(94)	(137)	(52)	(3)	(360)
Measurement period adjustments	-	-	(160)	-	-	-	-	-	(160)
Balance at 30 June 2016 (unaudited)	**175**	**410**	**12,297**	**1,787**	**446**	**2,226**	**990**	**5,684**	**24,015**

8 Non-current assets - Property, plant and equipment (continued)

Accumulated depreciation/ impairment charges	Land at cost $'000	Freehold buildings $'000	Leasehold improvements $'000	Furniture and fittings $'000	Motor vehicles $'000	Computer equipment $'000	Office equipment $'000	Plant & equipment $'000	Total $'000
As at 1 January 2015	-	-	5,270	933	104	671	623	1,568	9,169
Exchange differences	-	-	-	-	3	-	-	5	8
Depreciation for the period	-	-	230	64	44	156	44	208	746
Depreciation reversal on disposals	-	-	(526)	(52)	-	(133)	(138)	(760)	(1,609)
Balance at 30 June 2015 (unaudited)	**-**	**-**	**4,974**	**945**	**151**	**694**	**529**	**1,021**	**8,314**
As at 1 July 2015	-	-	4,974	945	151	694	529	1,021	8,314
Exchange differences	-	-	-	-	1	-	-	(4)	(3)
Impairment charge recognised in profit and loss	-	100	700	50	50	50	-	-	950
Depreciation for the period	-	-	321	68	45	204	48	241	927
Depreciation reversal on disposals	-	-	(128)	(27)	(80)	(102)	(6)	(43)	(386)
Balance at 31 December 2015 (audited)	**-**	**100**	**5,867**	**1,036**	**167**	**846**	**571**	**1,215**	**9,802**
As at 1 January 2016	-	100	5,867	1,036	167	846	571	1,215	9,802
Exchange differences	-	-	(1)	-	-	-	-	(2)	(3)
Depreciation for the period	-	-	380	64	46	247	39	259	1,035
Depreciation reversal on disposals	-	-	-	(5)	(31)	(31)	(20)	-	(87)
Balance at 30 June 2016 (unaudited)	**-**	**100**	**6,246**	**1,095**	**182**	**1,062**	**590**	**1,472**	**10,747**
Net book value									
At 30 June 2015 (unaudited)	175	410	6,111	838	322	702	432	4,030	13,020
At 31 December 2015 (audited)	175	310	6,156	761	324	1,045	400	4,310	13,481
At 30 June 2016 (unaudited)	**175**	**310**	**6,051**	**692**	**264**	**1,164**	**400**	**4,212**	**13,268**

9 Non-current assets - Intangible assets and goodwill

Cost	Agent relationship $'000	Goodwill $'000	Non-compete $'000	Intellectual property $'000	Software development $'000	Brand $'000	Other intangibles $'000	Customer contract $'000	Course materials $'000	Total $'000
At 1 January 2015	5,461	55,254	9,440	3,180	4,259	9,438	107	3,712	26,768	117,619
Acquisition through business combinations	-	845	99	-	-	132	-	-	238	1,314
Exchange differences	23	494	48	-	72	36	-	-	91	764
Additions	-	-	-	-	51	-	9	-	173	233
Balance at 30 June 2015 (unaudited)	**5,484**	**56,593**	**9,587**	**3,180**	**4,382**	**9,606**	**116**	**3,712**	**27,270**	**119,930**
As at 1 July 2015	5,484	56,593	9,587	3,180	4,382	9,606	116	3,712	27,270	119,930
Acquisition through business combinations	-	16,979	1,283	-	-	1,747	-	-	1,079	21,088
Exchange differences	(18)	(380)	(37)	-	(56)	(28)	-	-	(71)	(590)
Additions	-		-		-		2	-	315	317
Balance at 31 December 2015	-		-		-					
(audited)	**5,466**	**73,192**	**10,833**	**3,180**	**4,326**	**11,325**	**118**	**3,712**	**28,593**	**140,745**
As at 1 January 2016	5,466	73,192	10,833	3,180	4,326	11,325	118	3,712	28,593	140,745
Exchange differences	(4)	(102)	(10)	-	(15)	(7)	-	-	(23)	(161)
Additions	-		-		102	-	73	-	403	578
Disposals	-		-		(16)	--	(70)	-	(23)	(109)
Measurement period adjustments	-	160	-			-	-		-	160
Balance at 30 June 2016 (unaudited)	**5,462**	**73,250**	**10,823**	**3,180**	**4,397**	**11,318**	**121**	**3,712**	**28,950**	**141,213**

9 Non-current assets - Intangible assets and goodwill (continued)

Accumulated amortisation/ impairment charges	Agent relationship $'000	Goodwill $'000	Non-compete $'000	Intellectual property $'000	Software development $'000	Brand $'000	Other intangibles $'000	Customer contract $'000	Course materials $'000	Total $'000
As at 1 January 2015	2,943	1,294	2,717	389	864	-	10	227	3,942	12,386
Exchange differences	3	-	12	-	19	-	-	-	36	70
Amortisation for the period	802	-	1,215	318	691	-	8	185	1,954	5,173
Balance at 30 June 2015 (unaudited)	**3,748**	**1,294**	**3,944**	**707**	**1,574**	**-**	**18**	**412**	**5,932**	**17,629**
As at 1 July 2015	3,748	1,294	3,944	707	1,574	-	18	412	5,932	17,629
Exchange differences	(4)	-	(15)	-	(22)	-	-	-	(33)	(74)
Amortisation for the period	799	-	1,248	318	686	-	11	186	1,999	5,247
Impairment charge recognised in profit and loss	89	29,430	3,639	2,155	1,502	4,583	-	3,114	14,408	58,920
Balance at 31 December 2015 (audited)	**4,632**	**30,724**	**8,816**	**3,180**	**3,740**	**4,583**	**29**	**3,712**	**22,306**	**81,722**
As at 1 January 2016	4,632	30,724	8,816	3,180	3,740	4,583	29	3,712	22,306	81,722
Exchange differences	(3)	-	(7)	-	(10)	-	-	-	(15)	(35)
Amortisation for the period	693	-	502	-	145	-	10	-	1,311	2,661
Disposals	-	-	-	-	(3)	-	(11)	-	(2)	(16)
Balance at 30 June 2016 (unaudited)	**5,322**	**30,724**	**9,311**	**3,180**	**3,872**	**4,583**	**28**	**3,712**	**23,600**	**84,332**
Net book value										
At 30 June 2015 (unaudited)	1,736	55,299	5,643	2,473	2,808	9,606	98	3,300	21,338	102,301
At 31 December 2015 (audited)	834	42,468	2,017	-	586	6,742	89	-	6,287	59,023
At 30 June 2016 (unaudited)	**140**	**42,526**	**1,512**	**-**	**525**	**6,735**	**93**	**-**	**5,350**	**56,881**

9 Non-current assets - Intangible assets and goodwill (continued)

Goodwill and brand names are intangible assets with indefinite lives. There was no impairment of goodwill or brand names during the 6 months ended 30 June 2016 (31 December 2015: $34,013,000). An assessment was undertaken at the reporting date as to whether there was any indication that the recoverable amount of any cash-generating unit had fallen below its carrying value. There were no such indications.

10 Trade and other payables

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Trade creditors	**2,351**	3,463
Retention payable	**-**	520
TEC payable	**2,530**	2,515
Sundry payables	**233**	93
Accruals	**1,506**	1,451
	6,620	8,042

TEC payable amounts are in relation to under consumption of funding in the current period, along with an amount of $1,468,775 of historical over funding in relation to NZ School of Outdoor Studies.

11 Other current liabilities

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Income received in advance	**10,290**	11,512
Payroll liabilities	**1,296**	1,105
GST payable	**807**	468
Rent incentive liability	**872**	725
	13,265	13,810

Income received in advance relates to amounts received from students but not yet recognised as revenue. These amounts will be recognised in accordance with the Group's revenue recognition policy.

The comparative amount has been restated to better reflect consistency with the current period. Refer to note 7 for further information.

12 Deferred consideration payable

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Current		
OCA Group deferred consideration payable	**5,139**	21,192
NZIS Group deferred consideration payable	**2,113**	2,070
	7,252	23,262
Non-current		
NZIS Group deferred consideration payable	**-**	2,056
	-	2,056
Total deferred consideration payable	**7,252**	25,318

An amount of AUD 15 million was paid in respect of the OCA Group deferred consideration in March 2016. The balance is deferred to June 2017 and bears interest of 6.95%.

A payment of $2,087,068 was made in respect of the NZIS Group in the period. Subsequent to the reporting date the former owner of NZIS Group has exercised the early exit option available to him under the sale and purchase agreement, resulting in the payment of a final amount of $266,000 in August 2016. This amount is based on the maintainable earnings before interest, tax, depreciation and amortisation (EBITDA) earnings for 2015. The estimated amount included at the reporting date was based on the expected maintainable EBITDA for 2016. The difference between the amount disclosed in these financial statements and the amount paid in August 2016 will be subsequently released to the statement of comprehensive income.

13 Interest bearing liabilities

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Borrowings - current		
Current loan	**6,460**	33,400
Current finance lease liabilities	**11**	14
Total current interest bearing borrowings	**6,471**	33,414
Borrowings - non-current		
Bank loans	**66,145**	20,000
Total non-current interest bearing borrowings	**66,145**	20,000
Total interest bearing liabilities	**72,616**	53,414

On 23 March 2016 a new facility agreement was signed with ANZ. The facility is for a two year term and for $80m. It comprises a $35m NZD term loan, a $29.75m AUD term loan and a $10m short term advances facility, plus a financial guarantee facility of $870,000 and an overdraft facility of $800,000. All facilities are interest only, although the maximum debt limit reduces over time. The loans are secured by a fixed and floating charge over the assets of Intueri Education Group Limited and its subsidiaries. Both the term debt and the short term advance have a floating interest rate of 4.5% as at 30 June 2016. All bank covenants were complied with during the period.

During the period $21,563,000 was drawn from the facility, and $2,361,000 foreign currency movement was recorded.

Subsequent to the reporting date the bank covenants have been renegotiated to accommodate the latest financial outlook. The gearing ratio requirement has been increased to a maximum of 5.75 times EBITDA until 1 July 2017, and will then reduce back to the current 3.5 times EBITDA by the end of 2018. The minimum fixed charge cover has been set at 1.25 times and will then increase to 1.5 times from the end of 2017.

14 Provisions

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
TEC payable provision	-	1,087
Provision for WorkSafe charges	-	175
	-	1,262

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	TEC payable provision $'000	**Contingent liability $'000**	**Total $'000**
Current			
At 1 January 2016 (audited)	1,087	175	1,262
Charged/(credited) to the consolidated income statement:			
• Additional provisions	382	-	382
• Unused amounts reversed	-	(121)	(121)
• Used during year	-	(54)	(54)
Transferred to trade and other payables	(1,469)	-	(1,469)
At 30 June 2016 (unaudited)	-	-	-

15 Contingent assets and liabilities

The TEC review into the enrolment and course delivery practices, and SFO enquiry under Part 1 of the Serious Fraud Office Act 1990, into Quantum Education Group are ongoing and expected to be finalised before the end of the year. No amount is provided as it is not possible to determine the liability, if any.

The Company is pursuing legal action to recover the losses in relation to NZ School of Outdoor Studies and the Quantum Education Group from the previous owners.

There are no other significant contingent liabilities or assets.

16 Related parties

Key management personnel remuneration

Key management personnel remuneration for the six months ended 30 June 2016 and 30 June 2015 is set out below. The key management personnel are all the Directors of the Company and executive management team.

	Short-term benefits $'000	Share-based benefits $'000	Total $'000
30 June 2016 (unaudited)	**1,090**	**-**	**1,090**
30 June 2015 (unaudited)	1,110	36	1,146

During the period the beneficiaries of the Foundation Share Scheme and the Annual Share Scheme exercised their right t sell the shares held on their behalf to the Company, with the proceeds used to repay the loans.

17 Financial risk management and financial instruments

The Group has exposure to a variety of financial risks: market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and capital risk. There have been no changes in any risk management policies since the year end.

All financial assets other than derivatives are classified as loans and receivables. All financial liabilities other than derivatives are classified as measured at amortised cost.

The interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

	Group 30 June 2016 (unaudited) $'000	Group 31 December 2015 (audited) $'000
Financial assets		
Cash and cash equivalents	**463**	732
Trade and other receivables	**26,445**	20,317
Retention	**500**	500
Total loans and receivables	**27,408**	21,549
Financial liabilities		
Trade and other payable	**6,620**	8,042
Interest bearing loans	**72,616**	53,414
Deferred consideration payable	**7,252**	25,318
Retention	**500**	500
Total financial liabilities measured at amortised cost	**86,988**	87,274

Fair value hierarchy

Financial instruments are measured at fair value using the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial assets and liabilities have been measured at level 2 and approximates their carrying value, except for deferred consideration payable, which is a level 3 measurement.

Deferred consideration in respect of the NZIS Group has been estimated by applying the income approach, using a discount rate of 4.5% (being the business lending rate), and the estimated EBITDA for that business for 2016. For more information see note 12.

Deferred consideration payable for the OCA Group has been determined as AUD 4,908,998 based on EBITDA for 2015 for that business less the payments made in the period. As the amount bears interest at 6.95%, the fair value of the deferred consideration approximates its carrying value.

18 Events occurring after the reporting period

The former owner of the NZIS Group exercised the early exit option in August 2016, which resulted in payment of the final deferred consideration amount. See note 12 for more information.

In August 2016, the Group renegotiated the bank covenants. For more information see note 2 and note 13.

In August 2016 the Board approved a proposal for a strategic review of NZ School of Outdoor Studies.

The TEC commenced a review into the enrolment and course delivery practices at ITTI during August. This is expected to be concluded in the second half of the year.

There were no other events subsequent to the reporting period which require adjustment to or disclosure in the interim financial statements.

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EDUCATION GROUP

Intueri Education Group Limited
PO Box 8858, Symonds Street, Auckland 1010, New Zealand
intueri.co.nz

NZX/ASX RELEASE

29 August 2016

IQE: INTUERI 2016 INTERIM RESULTS ANNOUNCEMENT

Listed vocational education provider Intueri Education Group Limited (NZX/ASX: IQE) has reported its interim results for the six months to 30 June 2016.

- Solid first half (1H16) earnings performance at a similar level to prior comparable period of 1H15 (pcp), with 1H16 underlying EBITDA of $10.0m (1H15: $10.5m).
- NPAT of $3.5m, down on pcp due to a higher level of finance and other income in FY15 associated with Dive School provision and deferred consideration on acquisitions.
- Strong first half growth in Australian Online revenue, primarily due to high enrolments in 2H15. International revenue increased on PCP, whilst Domestic performance was mixed, with revenue 10% down on PCP.
- Softer second half year anticipated due to lower expected enrolments across all sectors, with full year EBITDA guidance of approximately $15m, subject to receiving confirmation of an A$6m lift in the 2016 VFH funding cap.
- On track to generate $5m in savings this year, and $8m in annualised savings from 2017 onwards. Based on current trading, this would translate into an annualised EBITDA in excess of $18m.
- Favourable cash flows expected in 2H16, with debt as at 30 June 2016 expected to reduce by $7m-$8m by year end.
- Intueri continues to maintain a supportive relationship with its banking partner. Intueri and its bank have recently agreed modified covenant terms to accommodate the latest financial outlook.

Intueri continues to trade profitably and delivered a solid first half earnings performance at a similar Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) level to pcp, with results in line with the guidance provided on 5 August 2016.

Revenue for the six-month period was $50.1m, up 17% on pcp, with Online revenue almost doubling and a small increase in International revenue. Revenue performance from the Domestic sector was mixed with positive growth from a number of schools offset by declines in the colleges currently being restructured.

Operating costs increased following the acquisition of two schools during 2015. Cost saving initiatives are on track and initial benefits are starting to flow from the restructuring programme, notably in Quantum.

EBITDA was $9.6m, down from $12.6m in the pcp.

Underlying EBITDA[i] was $10.0m (excluding a $0.4m addition to the sum previously provided for the refund to the Tertiary Education Commission (TEC) in relation to the Dive School review) compared to $10.5m in the pcp.

Net Profit After Tax was $3.5m (1H15: $6.1m) with NPATA[ii] of $4.2m (1H15: $7.7m). Profit was down on prior year due to a higher level of finance and other income in FY15 associated with Dive School provision and deferred consideration on acquisitions.

Cash flow from operations was $0.5m, which was impacted by the timing of Australian VFH payments and the associated $8.1m increase in the amount of VFH receivables owed from the Australian Department of Education.

Net debt increased to $72.6m, largely as a result of acquisition payments, with a corresponding increase in interest expense. Intueri is focused on effectively servicing and reducing debt and continues to maintain a supportive relationship with its banking partner. Intueri and its bank have recently agreed modified covenant terms to accommodate Intueri's latest financial outlook.

Australia Online

Revenue from Online students almost doubled to $18.0m, primarily due to high enrolment levels in the second half of 2015.

There have been wide-ranging regulatory reforms in Australia and while Intueri's 2016 VFH funding has been capped, there was a high number of enrolments in 2H 2015 and these have flowed through to the first half of this year, leading to an uplift in revenue.

The impact of the VFH funding cap will be more obvious in the second half of this year as the ability to enrol new students is restricted. Intueri has applied to increase its 2016 VFH funding cap by A$6m to cater for expected 2016 tuition fees.

Intueri is also progressing a number of other opportunities for growth in online learning, including the provision of services to other organisations. These are forecast to boost revenues, but come at a lower margin. Australian costs are expected to increase in 2H16 due to additional investment into learning support and infrastructure ahead of anticipated regulatory changes in FY17.

New Zealand Domestic

Intueri has undertaken a review to ensure its Domestic segment is appropriately structured to meet student demand and funding provision. This has seen a rationalisation and restructure of both Quantum and the Design & Arts College. The revenue effects of this in the first half have been largely offset by the contribution from the acquisition of the New Zealand Institute of Sport (NZIS) and the New Zealand College of Massage (NZCM) and growth from other Domestic schools. Domestic revenue for the six months was $19.7m, down 10% on pcp.

As part of its Domestic rationalisation programme, Intueri is looking at amalgamating a number of its NZ colleges into a combined Private Training Establishment (PTE) which will provide scale benefits and funding flexibility. In addition, a strategic review has been undertaken of the Dive School, which contributes only 1% of Intueri's revenues and is a niche provider delivering limited cross-group synergies. A divestment process has been initiated for this school.

Cost saving initiatives are on track and savings will start to flow through in the second half of FY16, with the full benefits expected to be realised in FY17.

Quality learning remains at the heart of Intueri's strategy and two External Evaluation Reviews (EERs) were completed by the New Zealand Qualifications Authority in 1H16. These have seen The Cut Above Academy retain its Category 1 status, and NSIA - The Professional Hospitality Academy, upgraded from Category 2 to Category 1. A further EER has been completed since half year end with NZIS receiving preliminary notification that it will retain its Category 1 status.

Intueri continues to work through legacy matters. The TEC review of the Dive School was resolved in 1H16 and the company is advancing legal options to recover costs from the original vendors. The health and safety court proceedings were also concluded in 1H16 following a fatality at the school in 2014. The TEC review of Quantum is expected to conclude in the coming months and it is assumed that the Serious Fraud Office enquiry will be progressed once the TEC review is concluded.

New Zealand International

International student revenue of $10.9m is up 8% on pcp, however the Group is seeing slowing demand in international enrolments reflecting tightening immigration requirements and a reduction in student visa approvals from our sub-continent market. This is being offset, in part, by increased enrolments from China and South East Asia.

Our sub-continent market remains an attractive long term proposition and in market resources are being committed to this, as well as to building demand in China and South East Asia.

Net Student Enrolments

Total net student enrolments were down 29% on the pcp, reflecting funding and enrolment restrictions and the rationalisation of courses. Domestic enrolments were down 33% with positive growth at a number of Intueri's New Zealand schools offset by the enrolment restrictions and reduced demand at the Design & Arts College, the Dive School and Quantum. International enrolments were down 7% and Australia Online enrolments were down 34% as a result of the reforms and VFH funding cap.

Outlook

Intueri has a number of initiatives underway to right-size the organisation, improve efficiency and realise benefits of scale. In addition, management remain focused on the delivery of a quality educational service and identifying additional opportunities for growth within existing schools.

A softer second half of the year is anticipated, primarily due to lower Domestic enrolments as the rationalisation of courses at Quantum and the Design & Arts College takes effect; a slowdown in International student enrolments; and lower Online enrolments in line with the VFH funding cap.

The Group remains on track to generate the target level of $5m of cost savings in New Zealand in 2016, and $8m of annualised savings from 2017 onwards. Based on current trading, this would translate into an annualised EBITDA in excess of $18m.

Favourable cash flow is expected in the second half, subject to confirmation of the uplift in the VFH funding cap and receipt of a final 2015 VFH payment of A$4.3m. This will enable debt as at 30 June 2016 to reduce by $7m-$8m by year end. Intueri and its bank have agreed modified covenant terms to accommodate Intueri's latest financial outlook. In conjunction with the amendments to banking covenants, the Board has decided to continue to suspend dividends whilst focussing on reduction in debt.

Subject to confirmation of the A$6m lift in the VFH funding cap, underlying EBITDA for the full year to 31 December 2016 is expected to be approximately $15m (FY15: $23.5m).

Chair's Comment

Intueri Board Chair, Chris Kelly, said: "Intueri continues to trade profitability and we are heading into the second half of the year with a clear strategy and plan in place. Our focus is on right-sizing and restructuring our organisation to meet the changing regulatory and operating environment. A number of initiatives are in progress and we expect to see initial benefits in the second half with full benefits being realised from FY17 onwards.

"A recruitment process is underway for a permanent CEO, following the departure of Rob Facer. In the meantime, the company is being ably led by Rod Marvin, the company's CFO and Interim CEO.

"Quality underpins all we do and we are proud of the positive EER reviews we have recently received across a number of our schools.

"Vocational education remains an essential part of the sector and we believe Intueri has the infrastructure, processes and governance in place to meet increasing regulatory requirements and deliver quality vocational education."

-ENDS-

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[i] Underlying EBITDA excludes significant non-recurring items (additional Dive School TEC provision and release of Academy Group contingent consideration in 2015). The Board has used underlying EBITDA as the basis for its management reporting and full year profit guidance as it believes this provides the most appropriate measure of Intueri's operating performance.

[ii] NPATA is Net Profit After Tax before post tax Amortisation of acquired intangibles and non-interest finance income and expense. The Board believes NPATA provides a better comparable measure of its operating performance and cash flow.

EBITDA, underlying EBITDA, EBITA and NPATA are all non-GAAP financial measures and are not prepared in accordance with NZ IRFS. More detail on the financial results and reconciliation of non-GAAP to GAAP measures is available in the interim results presentation released to the market on 29 August 2016 and available on the company website www.intueri.co.nz

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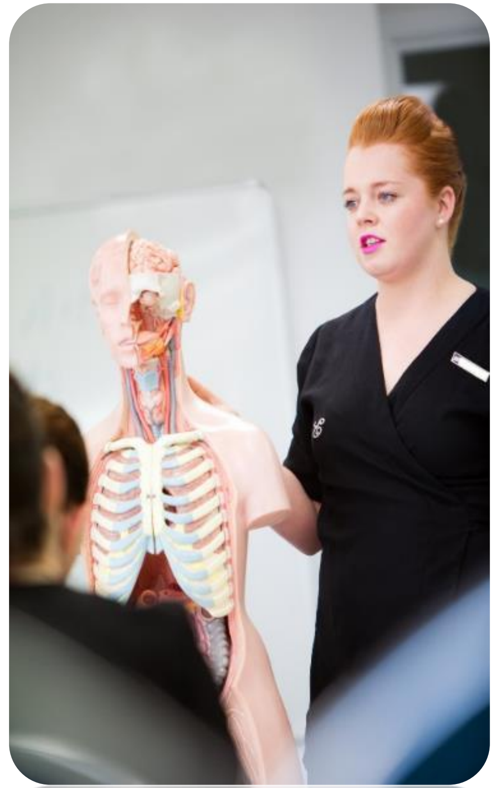
About Intueri:
Intueri Education is a New Zealand headquartered group of private training establishments delivering vocational education to students in New Zealand and Australia and from around the world. We provide industry-appropriate courses and qualifications across a diverse range of industries,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



2016 Interim Results Presentation

Agenda

Rod Marvin, Interim Chief Executive Officer

1. Organisation & Performance Overview
2. Strategic Progress
3. Operating Environment
4. Financial Results
5. Segment Overview
6. Looking Forward
7. Discussion

About Us

Intueri is a New Zealand headquartered group, delivering high quality vocational education to a diversified cohort of students in New Zealand and Australia

Only dual NZX/ASX listed opportunity to invest into the Australasian vocational education sector.

Intueri has 11 colleges across New Zealand and Australia, providing more than 7,000 students with a diverse range of studying options from Foundation courses to Graduate Diploma level qualifications.

Intueri utilises traditional classroom-based settings, blended learning and online delivery across 25 campuses.

- Academy Group NZ
- Cut Above Academy
- Design & Arts College of New Zealand
- Elite International School of Beauty and Spa Therapies
- Information Technology Training Institute
- NZ College of Massage
- NZ Institute of Sport
- NZ School of Commercial Diver Training
- NSIA - The Professional Hospitality Academy
- Quantum Education Group
- Online Courses Australia

Our Purpose and Strategy

OUR PURPOSE

OUR STRATEGY

QUALITY FOCUS
Maintain an unrelenting focus on quality outcomes

GROWTH
Add value through organic, collaborative and innovative growth

INVEST
Invest in our people and our organisation

TECHNOLOGY
Harness technology opportunities

1H 2016 Financial Results Summary
For the six months ended 30 June 2016

NZ$m	1H 2016	1H 2015
Revenue	**50.1**	**42.7**
Other Income	-	2.1
EBITDA	9.6	12.6
Underlying EBITDA	**10.0**	**10.5**
Underlying EBITDA margin %	20.0%	24.7%
Acquired Intangible Amortisation	(2.4)	(5.0)
Net Finance Income / Expense	(0.5)	1.0
Net Profit After Tax	**3.5**	**6.1**
NPATA	**4.2**	**7.7**
Net Debt	**(72.6)**	**(34.9)**

- **Revenue** $50.1m – up 17% year on year
- **Underlying EBITDA** $10.0m – similar to 1H 2015
- **NPAT** $3.5m – compared to 1H 2015 $6.1m down due to higher other income and finance income in 1H 2015
- **NPATA** $4.2m – vs 1H 2015 $7.7m
- **Net Debt** $72.6m - increased due to acquisition payments ($52.7m FY 15, $34.9m 1H 15)

- Financial results reflect earnings from businesses from the time of acquisition. See Note 1 in the glossary slide for details.
- NPATA is Net Profit After Tax before post tax amortisation of acquired intangibles and non-interest finance income and expenses.
- EBITDA, Underlying EBITDA, and NPATA are non-GAAP measures. A definition of these terms and further details are detailed in Notes 2 and 4 in the glossary slide.

1H 2016 Operating Environment

Key factors impacting on Intueri performance in 1H 2016:

- Growth in Domestic enrolments from a number of Colleges and contribution from NZIS / NZCM (acquired at end of 2015), almost offsetting decline from restructured colleges
- Slowing enrolments in NZ International sector associated with tighter immigration and visa requirements
- Impact of VET FEE-HELP (VFH) reforms and funding cap impacting enrolments in Australia
- Increasing oversight and regulatory activity from regulators on both sides of the Tasman:
  - TEC review into the Dive School concluded in 1H 2016
  - TEC review into Quantum ongoing but expected to be completed in 2H 2016
  - Australian Federal Government review of VFH programme underway
- Intueri focus on quality outcomes and more robust enrolment criteria to ensure right students doing the right courses for the right reasons

1H 2016 Strategic Progress

	FIRST HALF 2016
Domestic Segment	• Initiated review of Domestic portfolio, followed by rationalisation and restructure of both Quantum and the Design & Arts College • Strategic review of the Dive School, with expressions of interest being sought to acquire this college
Online Segment	• Applied to increase VET FEE-HELP funding cap by A$6 million and progressed a number of other opportunities for growth in online learning, including the provision of services to other organisations • Increased focus on student support to assist with learner progression
International Segment	• Committed resources to the long term opportunity in Indian sub-continent, as well as building demand in China and South East Asia
Cost Savings	• Cost saving initiatives on track. Savings will start to flow through in the second half of FY16, with the full benefits expected to be realised in FY17
Focus on Quality	• Two positive EER reviews completed • The Cut Above Academy maintains Category 1 status • NSIA upgraded from Category 2 to Category 1 status
Regulatory	• Continuing to work through legacy matters, with conclusion of the TEC review of the Dive School and the health and safety court case
Governance and Leadership	• Sean Steele commenced as CEO OCA Group

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1H 2016 Financial Results

Student Enrolments

Total enrolments were down 29% against 1H 2015. Growth in a number of NZ Domestic schools and contribution from NZIS / NZCM, more than offset by enrolment restrictions and the rationalisation of some courses. Australian enrolments lower due to cap on funding. International lower due to tightening restrictions on visa approvals from sub continent.

	1H Net Enrolments*			**1H Revenue (NZ$000's)**		
6 months ended 30 June	2016	2015	Variance	2016	2015	Variance
*Underlying Domestic Colleges***	*547*	*504*	*9%*	*7,484*	*6,815*	*10%*
NZIS / NZCM (acquired Nov 2015)	*368*			*4,492*		
ITTI (acquired April 2015)	*28*	*29*	*-3%*	*183*	*294*	*-38%*
Quantum & Academy (restructuring)	*368*	*1,403*	*-74%*	*6,248*	*12,966*	*-52%*
Design & Arts (restructuring)	*73*	*116*	*-37%*	*922*	*1,269*	*-27%*
Dive School (subject to divestment)	*29*	*64*	*-55%*	*398*	*622*	*-36%*
Total Domestic	**1,413**	**2,116**	**-33%**	**19,727**	**21,965**	**-10%**
Total International	**745**	**802**	**-7%**	**10,859**	**10,039**	**8%**
Total Online	**1,151**	**1,753**	**-34%**	**18,000**	**9,463**	**90%**
Total Other				**1,494**	**1,248**	**20%**
Total Enrolments	**3,309**	**4,671**	**-29%**	**50,080**	**42,716**	**17%**

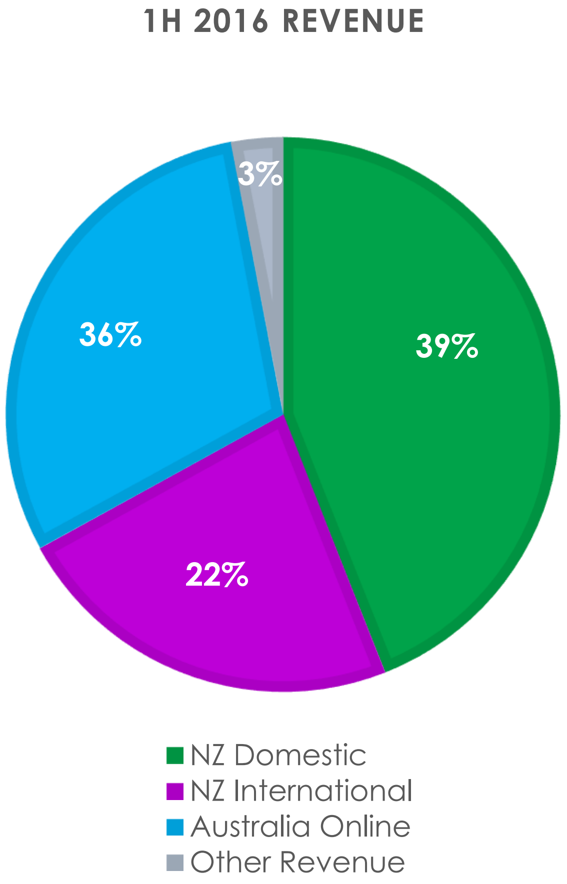
* Net Enrolments is defined as students who have successfully enrolled and have gone past the withdrawal period during which they could be eligible for a refund.

** Underlying Domestic Colleges includes all NZ colleges other than those acquired after 1/1/2015 or those listed separately that are being divested or restructured

Segment Revenue Performance

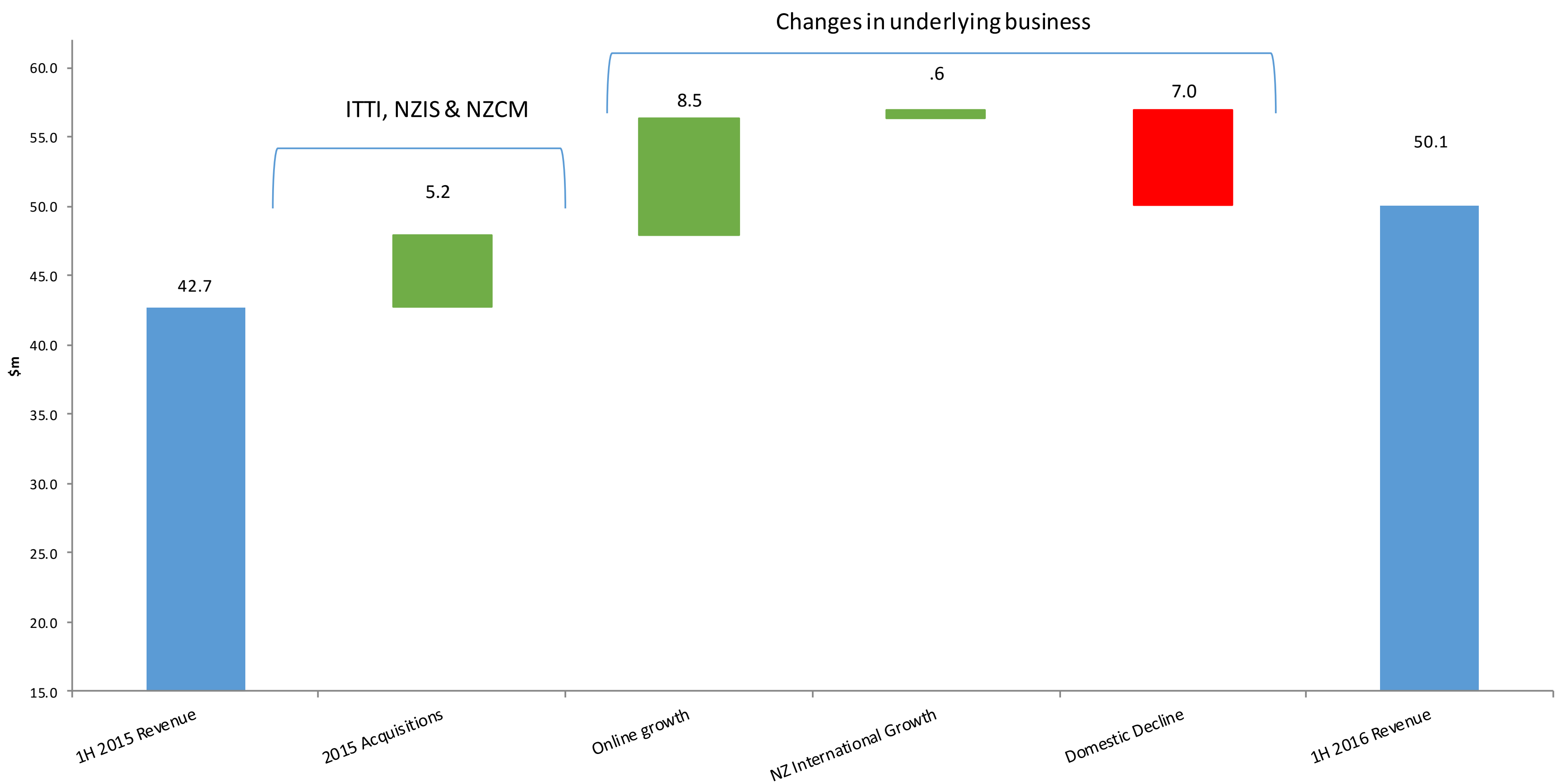
New Zealand Domestic remains largest segment with 39% of revenue. International students provided 22% and Australia Online continues to grow, increasing from 30% to 36% of revenue.

NZ$m	1H 2016	1H 2015	Var %
NZ Domestic	19.7	22.0	(10%)
NZ International	10.9	10.0	8%
Australian Online	18.0	9.5	90%
Other Revenue	1.5	1.2	20%
Total Revenue	**50.1**	**42.7**	**17%**



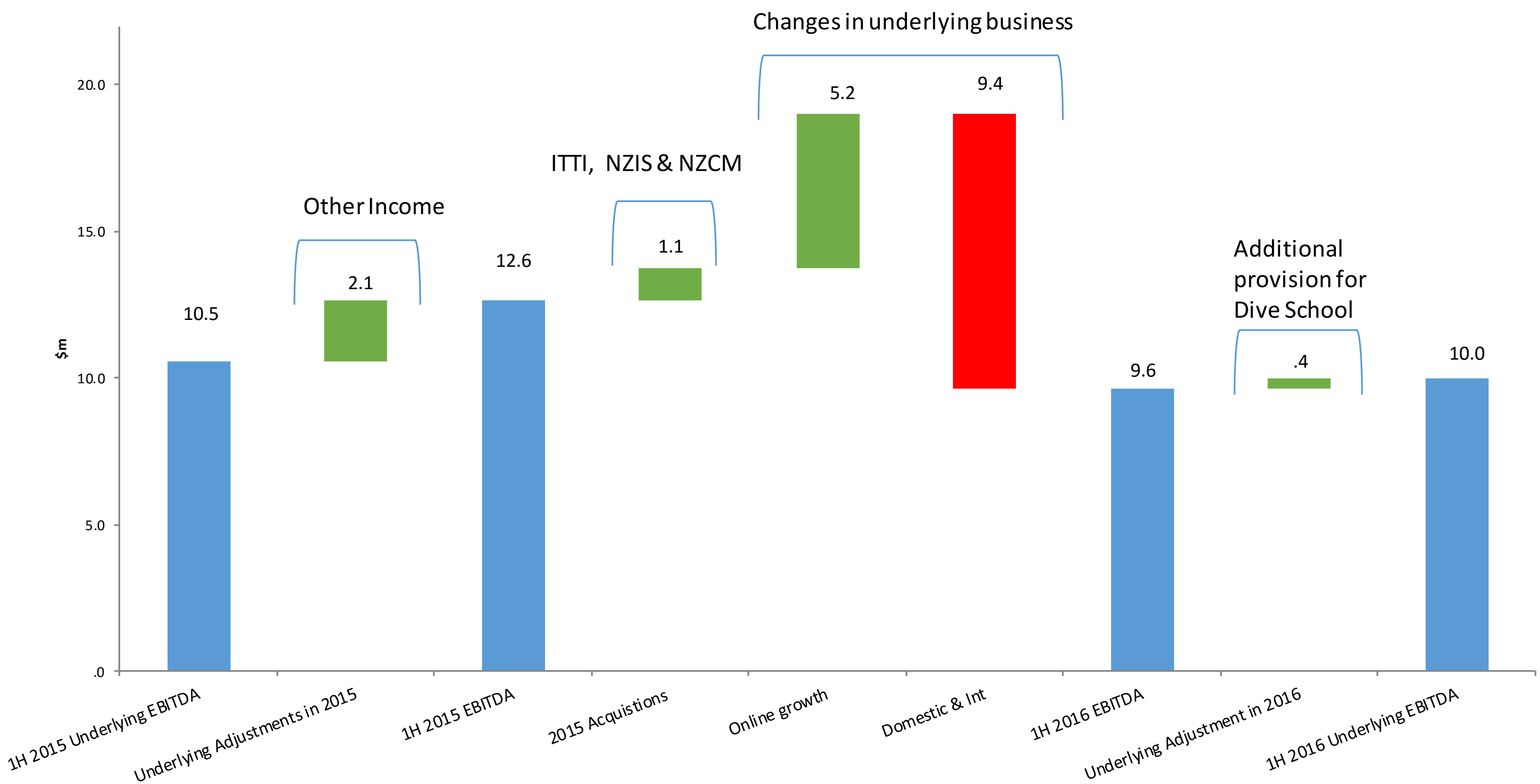
Revenue Growth Analysis
17% Increase to $50.1m

Intueri 1H 2016 revenue 17% ahead of 1H 2015, primarily due to impact of acquisitions and strong growth in Australia Online and NZ International offsetting decline in NZ Domestic revenues.



Underlying EBITDA Growth Analysis
1H 2016 Similar to 1H 2015

Intueri 1H 2016 underlying EBITDA similar to 1H 2015, primarily due to impact of acquisitions and higher Australian profits, being offset by lower NZ earnings.



*Other income in 2015 related to Dive School provision adjustment & change in deferred consideration for Academy acquisition

Cost Analysis

Costs increased due to inclusion of acquisitions and investment into additional resources to drive growth and enhanced quality and compliance capability.

NZ$M	1H 2016	1H 2015
Direct Costs	10.0	8.2
Other Operating Costs	30.5	24.0
Depreciation & Amortisation	1.3	0.9
Amortisation of Acquired Intangibles	2.4	5.0

On track to realise $5m of cost savings in 2016 and $8m annualised savings from 2017 onwards

A strategic review is ongoing to identify and realise cost savings across the group, and align capacity to funding and enrolment allowances.

Profit And Loss Summary
Increase in revenue but reduction in NPAT

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NZ$m	1H 2016	1H 2015
Revenue	**50.1**	**42.7**
Other Income	-	2.1
EBITDA	9.6	12.6
Underlying EBITDA	**10.0**	**10.5**
Depreciation & Amortisation	(1.3)	(0.9)
EBITA	8.4	11.7
Amortisation of acquired intangibles	**(2.4)**	**(5.0)**
Net interest expense	**(1.6)**	**(0.9)**
Finance income / (expense)	**1.1**	**1.9**
Net Profit Before Tax	5.4	7.7
Tax	(1.9)	(1.7)
NPAT	**3.5**	**6.1**
NPATA	**4.2**	**7.7**

Underlying EBITDA 1H 2016 adjusted for $0.4m additional TEC Dive School provision. 1H 2015 included a $1.1m Dive School provision adjustment and $1.0m release of deferred consideration on Academy Group acquisition.

Amortisation of acquired intangibles reduced following impairments taken at end of 2015.

Net interest costs increasing in line with higher debt levels post-acquisitions.

Finance income relates to foreign currency gains and deferred contingent consideration changes associated with acquisitions.

Net Profit After Tax is $3.5m, down on pcp due to higher other income and finance income in 1H 2015.

NPATA is NPAT after excluding post tax non-cash amortisation of acquired intangibles and non-interest finance income and expenses. 1H 2016 is down on PCP due to higher other income and finance income in 1H 2015

- Refer glossary slide for definition of terms and reconciliation of non-GAAP to GAAP figures.

Cash Flow

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1H 2016 operating cash flow of $0.5m impacted by timing of Australian VFH payments. Stronger cash generation forecast in 2H 2016 as VFH payments are made.

Statement of Cash Flows NZ$m	1H 2016	1H 2015
Net cash inflow from operations	0.5	4.2
Net cash outflow from investing	(3.7)	(3.6)
Net cash inflow from financing	2.9	(5.8)
Net increase/(decrease) in cash	(0.3)	(5.2)
Cash at the start of the period	0.7	7.8
Exchange gains/losses on cash	0.1	0.4
Cash at the end of the period	0.5	3.0

Operating Cash Flow
1H 2016 operating cash flow of $0.5m impacted by timing of VFH payments and the associated $8.1m increase in the amount of VFH receivables owed by the Australian Department of Education. This is forecast to be paid in 2H 2016.

Investing Cash Flow
$2.2m acquisition payment for NZIS & NZCM, plus $1.5m net expenditure on fixed assets and software and course development.

Financing Cash Flow
Acquisition instalment payment of $17.0m associated with the OCA acquisition. Net interest costs of $1.6m.

Balance Sheet

Slight improvement in Equity. Debt facilities increased in line with acquisition payments.

Balance Sheet NZ$m	1H 2016	FY 2015
Total Assets	101.5	100.8
Total Liabilities	103.7	106.8
Total Equity	(2.2)	(6.0)
Net Debt	72.6	52.7
Working Capital*	8.5	3.0

*Working Capital excluding cash, short term debt, and deferred & contingent consideration.

Total Assets remained largely unchanged, although increase in VET FEE-HELP (VFH) receivables, partly offset by reduction in amortised Intangibles.

Total Liabilities reduced slightly due to lower tax and trade payables.

Net Debt increased from $52.7m as at 1 Jan 2016 to $72.6m, largely due to $19.2m of acquisition payments.

Banking Covenants
Current Debt / EBITDA level of 3.2x but forecast to increase based on final OCA payment and profit outlook.

Amendments agreed to include sufficient headroom to allow up to 5.75x Debt / EBITDA ratio for next 12 months. Fixed cover charge set at 1.25 for next 12 months

In conjunction with the amendments to banking covenants, the Board has decided to continue to suspend dividends whilst focussing on reduction in debt.

Working Capital has increased due to higher VFH receivables

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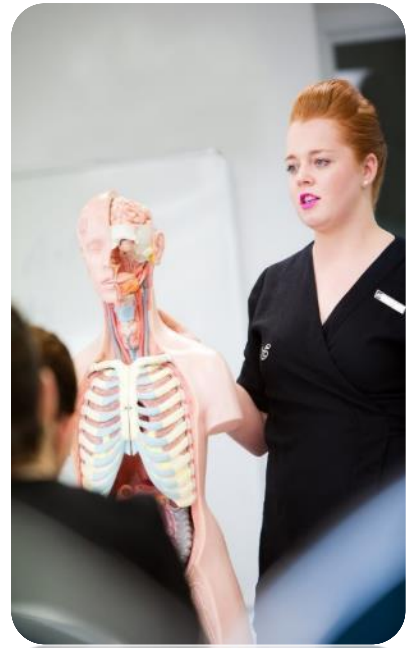

1H 2016 Segment Overview

1H 2016 NZ Domestic
39% Group Revenue

Positive growth at a number of NZ Domestic Colleges and contribution from 2015 acquisitions, offset by declines from the colleges under review or being restructured.

KEY EVENTS

- Revenue $19.7m, down 10% year on year
- Earnings from acquisition of ITTI (April 2015) and NZIS & NZCM (November 2015) benefitting 1H 2016
- Domestic College Performance:
  - Pleasing performance from Cut Above and Elite Colleges
  - Quantum courses impacted by changes in funding and associated restructuring
  - Legacy issues at the Dive School and slow rebound in enrolments at Design & Arts School in Christchurch continue
- Restructuring of Quantum and Design &Arts College well progressed and on track
- Commenced strategic review of the Dive School
- Concluded WorkSafe court proceedings and TEC review with respect to the Dive School

OPERATING ENVIRONMENT

Sector regulated by the New Zealand Qualifications Authority (NZQA) and primarily funded by the Tertiary Education Commission (TEC).

The TEC funding focus continues to shift to relevance for learners and return on investment for Government.

Increasing oversight by the TEC, NZQA and other regulatory agencies, to ensure providers deliver appropriate, high quality outcomes for learners.

1H 2016 NZ International
22% Group Revenue

Slowing growth due to restrictions in international student visa approvals

KEY EVENTS

- Revenue $10.9m, up 8% year on year
- Maintained strong growth in financial performance, primarily through NSIA - The Professional Hospitality Academy, on the back of 2015 enrolments
- Ongoing leveraging of Intueri brand and development of in-market initiatives (sub-continent) to forge sustainable engagement with agent community and high schools in emerging markets
- Identifying programmes that can be re-packaged for an international cohort thereby diversifying existing provision (e.g. Pharmacy and IT)
- Relocated ITTI operations to a new city campus to facilitate an increased number of international students

OPERATING ENVIRONMENT

Immigration New Zealand (INZ) is undertaking more stringent assessment of student visa applications from the sub-continent.

1H 2016 Australia Online
36% Group Revenue

Exceptional growth driven by 2H 2015 enrolments

KEY EVENTS

- Revenue $18.0m, up 90% year on year
- Strong revenue growth, driven by increasing VFH enrolments in 2015
- Impact of reforms and funding cap impacting 2016 enrolments
- Managing compliance requirements resulting from the VFH reforms
- CEO Sean Steele revamped leadership team with enhanced focus on student support

OPERATING ENVIRONMENT

The Australian Federal Government Department of Education & Training initiated a range of VFH reforms to improve the standard of student enrolment practices, quality of delivery and assessments, and overall provider duty of care to students.

In December 2015, the Department advised of further interim measures for 2016 including the freezing of total loan limits for existing providers at 2015 levels, prior to a new VFH funding model being rolled out for 2017.

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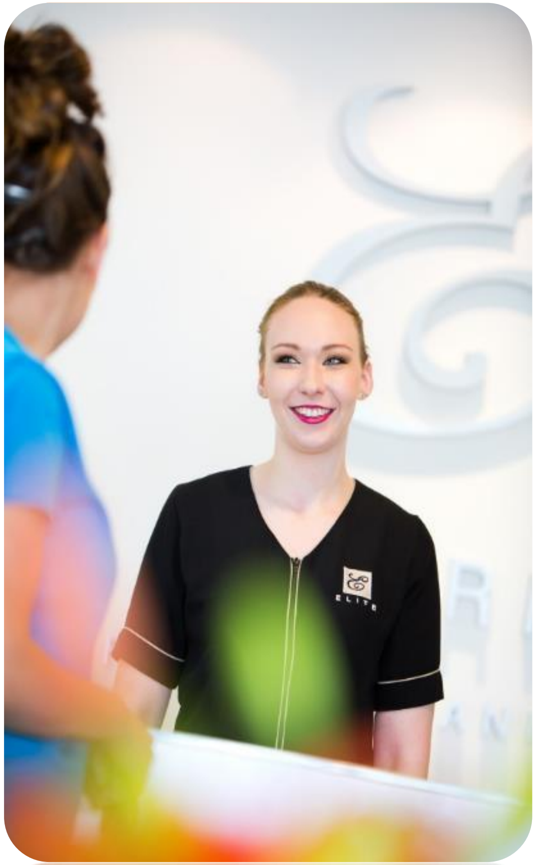
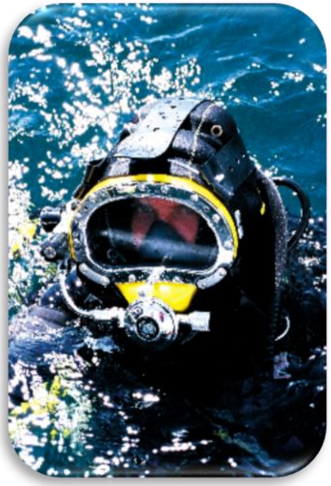


Looking Forward

Outlook and Focus for 2H 2016

“We have a long term strategy, and while this continues to evolve to meet the changing conditions, we believe the key fundamentals underlying Intueri’s potential to build its position in the vocational education market remain strong.”

	FOCUS FOR SECOND HALF 2016
Domestic Segment	• Amalgamation of a number of NZ colleges into a combined Private Training Establishment (PTE) which will provide scale benefits and funding flexibility • Finalise the divestment process around the Dive School • Centralisation of Domestic recruitment function and implementation of new Customer Relationship Management (CRM) system
Online Segment	• Drive new enrolments across all revenue streams and increase focus on learner support and infrastructure
International Segment	• Utilise in-market presence in India and focus on market opportunities in sub-continent, China and South East Asia
Cost Savings	• Continue to identify and implement cost saving initiatives • Focus on debt reduction and cost control
Focus on Quality	• Quality mandate will remain a key thread in our initiatives • Obtain final confirmation of NZIS maintaining Category 1 status
Regulatory	• Expect to conclude the TEC review of Quantum, and that the SFO enquiry will be progressed following this • Complete regulatory reviews and audits of OCA, Conwal, ITTI and NZCM
Governance	• Recruitment of a permanent CEO • Establishment of a new Executive LTI scheme • Appointment of Director Nico Marx as consultant for three to six month period



Discussion



Leadership and Governance

Board of Directors	
Chris Kelly	Independent Chairman
James Turner	Independent Director
Nico Marx	Director
Russell Woodard	Independent Director
Dame Alison Paterson	Independent Director

Executive Team	
Rod Marvin	Interim CEO & CFO
Leigh Olsen	GM – Human Resources
Andy Walker	GM – Organisational Capability
Liane Clarke	GM – Marketing & Communications
Michele La Riviere	GM – Business Performance & Systems
Sean Steele	CEO – OCA Group

Following the resignation of CEO and Director Rob Facer, the Board has appointed Rod Marvin as Interim CEO and commenced a recruitment process for a permanent CEO.

A sub-committee of the Board has also been formed to support the execution of the recently developed and Board-approved strategy to deliver improved business performance and position Intueri for future growth.

Director Nico Marx has been appointed to provide consulting services for three to six months.

Glossary of Financial Results

1. Financial results reflect earnings from businesses from the time of acquisition. 1H 2016 includes a full six months contribution for all colleges, whilst 1H 2015 includes a full six months of all colleges except ITTI which was acquired on 1 April 2015, and no earnings from NZIS and NZCM which were acquired 30 November 2015.

2. EBITDA is earnings before interest, tax, depreciation and amortisation. Underlying EBITDA excludes significant non-recurring items (additional Dive School TEC provision and release of Academy Group contingent consideration in 2015). The Board has used underlying EBITDA as the basis for its management reporting and full year profit guidance as it believes this provides the most appropriate measure of Intueri's operating performance.

3. EBITA is Earnings before interest, tax and amortisation of acquired intangibles.

4. NPATA is Net Profit After Tax before post tax amortisation of acquired intangibles and non-interest finance income and expenses. The Board believes NPATA provides a better comparable measure of its operating performance and cash flow.

5. EBITDA, Underlying EBITDA, EBITA and NPATA are non-GAAP financial measures and are not prepared in accordance with IFRS.

Reconciliation of non-GAAP to GAAP measures

Profit and Loss Reconciliation NZ$m	**1H 2016**	**1H 2015**
EBITDA	9.6	12.6
Depreciation & Amortisation	(1.3)	(0.9)
EBITA	8.4	11.7
Acquired intangible amortisation	(2.4)	(5.0)
EBIT	5.9	6.7
Net interest expense	(1.6)	(0.9)
Income tax	(1.9)	(1.7)
Finance income / expense	1.1	1.9
Net Profit/(Loss) After Tax	**3.5**	**6.1**
Add back: After Tax acquired intangible amortisation	1.7	3.6
Less: After tax non-interest finance income and (expense)	(1.1)	(2.0)
Net Profit After Tax Before Amortisation (NPATA)	4.2	7.7

Corporate Snapshot

Capital Structure	
Fully Paid Ordinary Shares	$100m
Share Price (as at 24/8/16)	NZ$0.30
Market Capitalisation (as at 24/8/16)	$30m

Shareholder Mix	Shares (m's)	Holding (%)
Arowana International	24.9	24.9%
Other Australian Institutional & Retail Investors	26.6	26.6%
NZ & International Institutional & Retail Investors	48.5	48.5%

Important Notice

Disclaimer

The information in this presentation has been prepared by Intueri Education Group Limited ("Intueri") with due care and attention. However, neither Intueri nor any of its directors, employees, shareholders nor any other person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation may contain projections or forward looking statements regarding a variety of items. Such projections or forward looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks, uncertainties and assumptions. There is no assurance that results contemplated in any projections and forward looking statements in this presentation will be realised. Actual results may differ materially from those projected in this presentation. No person is under any obligation to update this presentation at any time after its release to you or to provide you with further information about Intueri.

The financial statements for the period ended 30 June 2016 are not audited, but are subject to a review engagement performed by Intueri's auditors.

Forward looking statements are subject to any material adverse events, significant one-off expenses, non-cash fair value movements or other unforeseeable circumstances.

A number of non-GAAP financial measures are used in this presentation. You should not consider any of these in isolation from, or as a substitute for, the information provided in the consolidated financial statements for the period ending 30 June 2016.

The information in this presentation is of a general nature and does not constitute financial product advice, investment advice or any recommendation. Nothing in this presentation constitutes legal, financial, tax or other advice.

Intueri Education Group Limited	
Results for announcement to the market	
Reporting Period	six months to 30 June 2016
Previous Reporting Period	six months to 30 June 2015

	Amount (000s)	Percentage change
Revenue from ordinary activities	$NZ 50,080	17%
Profit (loss) from ordinary activities after tax attributable to security holder	$NZ 3,537	(42%)
Net profit (loss) attributable to security holders	$NZ 3,537	(42%)
Earnings per share (NZ cents per share)	$NZ 3.8cps	(38%)

	Reporting Period	Previous Reporting Period
Net Tangible Assets per security (NZ cents per share)	$NZ (59.09)cps	$NZ (46.21)cps

Interim/Final Dividend	Amount per security	Imputed amount per security
Interim Ordinary dividend	Nil	Nil
Supplementary dividend for non resident investors holding less than 10% shareholding	Nil	Nil

Record Date	n/a
Dividend Payment Date	n/a

Comments:	This has been a period of continued revenue growth for Intueri. The Revenue growth has primarily come from growth in Intueri's International and Online segments, and a full six month's contribution from the acquisitions that were made in 2015 (Information Technology Training Institute, IT Training Limited, NZ Institute of Sport and NZ College of Massage) Operating profit $NZ 5,931 was at a similar level to the previous reporting period $NZ 6,713 even though the previous reporting period included

	other income of $NZ 2,087 which did not occur in the 2016 reporting period. Net Profit of $NZ 3,537 was 42% below the previous reporting period as the prior reporting period included higher other income and finance income. For commentary on the interim results, please refer to the interim results announcement. Appendix 1 should be read in conjunction with the unaudited interim financial statements for the six months ended 30 June 2016. See also other attached documents (results announcement and results presentation).