

NZX RELEASE

1 June 2017

IQE – INTUERI APPOINTS ADMINISTRATORS TO NON TEACHING OPERATIONS

- Intueri Education Group Limited and its non-teaching subsidiaries placed into voluntary administration.
- This does not affect Intueri's New Zealand colleges, which are not in administration, and continue to trade as normal.
- Confirmed bid received for sale of Intueri's three PTE groups – IENZ, NSIA and NZIS Group, however, the offer price is below the level of Intueri's debt.

The Board of Intueri Education Group Limited (NZX: IQE) regretfully advises that the company has been placed into voluntary administration under Part 15A of the Companies Act 1993. This only applies to Intueri Education Group Limited (the parent company), Intueri Services Limited, and other non-teaching subsidiaries of the company.

The following companies have been placed into administration;

1. Intueri Education Group Limited (the listed parent company)
2. Intueri Services Limited (management services company)
3. Elite Education Holdings Limited (non-trading)
4. Quantum Education Group Limited (non-trading)
5. Quantum Education Group ES Limited (non-trading)
6. Quantum Education Group QT Limited (non-trading)
7. Commercial Diver Training Limited (non-trading)

Intueri's New Zealand colleges continue to trade as normal, have continued funding in place and are profitable and cash positive before servicing Intueri's debt.

The parent company has been in breach of its banking covenants since 31 December 2016. Since that time, the Board has undertaken an in-depth review. This has included exploring a number of capital structuring and strategic options, including a potential divestment of businesses, debt refinancing and capital raising. Despite considerable efforts, the Board considers the sale of the New Zealand businesses is the best option available to Intueri, and this is also supported by its bank.

Intueri has now received a confirmed bid for its three New Zealand Private Training Establishment (PTE) groups – Intueri Education New Zealand (IENZ), NSIA and New Zealand Institute of Sport (NZIS), which includes The New Zealand College of Massage (NZCM). The offer price is below the amount of Intueri's debt. If the sale proceeds, Intueri will have insufficient residual assets with which to operate a sustainable business, clear remaining debt or to make any return to shareholders. The borrower of Intueri's bank debt is the listed parent company of the Group and, if sold by the voluntary administrator, the New Zealand businesses will be released from their guarantees of the parent company debt.

New Zealand education regulatory authorities have been consulted regarding the potential sale of Intueri's New Zealand colleges, and have committed to ensure normal funding and teaching operations are maintained until a sale is concluded.

The Board has explored other capital restructuring options, without success, and the Board now believes the most appropriate action is the appointment of administrators. The Board of each of the seven above companies in administration have appointed William Black and Conor McElhinney of McGrathNicol as voluntary administrators. The Board is committed to working with the administrators to ensure the best possible outcome for stakeholders, including staff.

The Board says this is a very disappointing and difficult decision as the New Zealand colleges are performing well. However, the overall impact of the Australian regulatory changes forcing Intueri's exit from Australia in 2017, and the earlier wind down of Quantum Education Group, materially changed the scale and revenue generation of the company and its ability to service and repay debt.

The Board would like to thank management and staff for their continued efforts and dedication to providing quality learning opportunities for students over the past three years under Intueri ownership.

-Ends-

Chris Kelly
Intueri Chair
+64 (0) 27 249 8883
chris.kelly@intueri.co.nz

About Intueri:

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