

NZX RELEASE

23 March 2017

IQE – INTUERI TO EXIT AUSTRALIA EARLY; FOCUS ON NEW ZEALAND SCHOOLS

- Intueri will cease operations in Australia on 29 March 2017. This has no impact on the Group's New Zealand operations.
- The decision is in response to recent funding and regulatory developments which have had a material impact on the Australian operations, including the deregistration of two of Intueri's Australian schools and notification that the 2016 request for an uplift in the VFH funding cap of \$5.6m has been declined.
- The Intueri Board is considering whether to appeal against the decision on the 2016 VFH funding cap uplift; and is continuing to seek VFH payments for 2014/2015 of A\$0.14m and for 2017 of approximately A\$0.5m for teach out of students undertaken to date.
- Intueri has entered into a Standstill Agreement with its bank.

Listed vocational education provider, Intueri Education Group Limited (NZX: IQE), advises that it will cease operations in Australia on 29 March 2017. This decision has no impact on the Group's New Zealand operations, which are run as a separate regional division and have confirmed funding in place.

The decision by Intueri's Board to close the Australian operations is in response to a number of recent developments including notification from the Australian Skills Quality Authority (ASQA) that it intends to cancel the registration of Intueri's Australian colleges, Conwal & Associates Pty Ltd and Online Courses Australia Pty Ltd. Intueri had planned to voluntarily deregister both colleges at the end of 2017, allowing it to teach out existing students or, where necessary, assist in the transfer of some students to other teaching institutions to finish their courses. This would have seen Intueri's Australian colleges operate in a breakeven position for the rest of the year. The company has elected not to appeal ASQA's decision, and will therefore cease the Australian operations on 29 March 2017.

Intueri has also been advised that its application to the Department of Education and Training (DET) to reconsider a A\$5.6m uplift in 2016 VET FEE-HELP (VFH) funding has been declined. The Board is considering whether to appeal this decision. In addition, Intueri has been advised that payment of any Q1 2017 VFH funding by the DET will be deferred until 1 April 2017 at the earliest.

Intueri is still seeking A\$0.14m in outstanding VFH funding for 2014/2015, and will seek approximately A\$0.5m in VFH funding for students taught in the 2017 calendar year to date.

Intueri is very disappointed with this outcome, given that Intueri had a managed exit strategy in place which it believes would have been in the best interests of students and staff. It is working closely with the industry body, ACPET, to assist in the transfer of students to alternative providers, and providing support to staff.

The decision to exit Australia has no impact on Intueri's New Zealand operations. Confirmed funding is in place for 2017 and management continue to focus on ensuring the ongoing provision of high quality vocational education from its New Zealand schools.

As previously advised, the Board is assessing a number of capital restructuring and strategic options for the Group, including a potential divestment of businesses. Intueri has entered into a standstill agreement with its bank for the duration of the review.

Intueri also advises that it has received the draft Deloitte report from the TEC's investigation into Quantum. Intueri is currently reviewing the report and will provide a response by 20 April 2017 as requested.

-Ends-

For more information, please contact:

Rod Marvin
Interim CEO
+64 (0) 27 499 7822
rod.marvin@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 Australia and from around the world. We provide industry-appropriate courses and qualifications across a diverse range of industries, working closely with those industries to ensure training remains relevant and employment-outcome focused. Intueri is listed on the NZX under the ticker symbol IQE.