

NZX/ASX RELEASE

30 November 2015

IQE – INTUERI REAFFIRMS QUALITY STRATEGY

- Intueri has today reaffirmed its quality strategy and its focus on quality student outcomes
- The company remains in a sound financial position with strong margins and cash flows, appropriate funding and the full support of its bankers
- The company continues to comply with its continuous disclosure obligations under NZX and ASX Listing Rules
- Intueri notes a number of significant sector events in Australia recently, which have impacted on overall investor confidence in the wider sector
- Intueri is committed to co-operating fully with the Tertiary Education Commission (TEC) reviews of two of its New Zealand schools, which it understands are primarily focused on legacy issues, and reiterates that none of the group's other schools are subject to review
- Staff continue to focus on building enrolments for 2016 and delivering quality vocational education outcomes

Intueri Education Group (NZX/ASX: IQE) has reaffirmed its positioning as a high quality provider in the vocational education sector, with a focus on quality student outcomes. The Board believes Intueri's commitment to quality, strong values and growth strategy will allow the company to benefit from the opportunities in the sector, generate sustainable profits and build enduring value for shareholders.

Following the significant share price movement on 27 November 2015, Intueri confirms that it continues to comply with its continuous disclosure obligations under both the NZX Listing Rules, including Listing Rule 10.1.1, and the ASX Listing Rules.

The tightening regulatory environment in Australia has resulted in a number of sanctions against vocational education providers in recent weeks, culminating in a high-profile listed Australian vocational education provider announcing it had been placed into voluntary administration on Thursday 26 November 2015. The Intueri Board believes these events have impacted on overall investor confidence in the wider sector, however it is important to note that Intueri's business model is significantly different from those under review in Australia.

Intueri remains in a sound financial position, with strong margins and cash flows, appropriate funding and the full support of its bankers.

Revenue growth continues, particularly in Intueri's International and Australian Online segments, which now represent half of total revenue. The company continues to generate strong EBITA margins and solid cash flows. Intueri reported EBITA of \$11.7m for the recent 2015 interim result, which enabled the company to pay a 6.1 cent fully imputed interim dividend, equal to 63% of the NPATA¹.

The company's bankers have recently reaffirmed their undertaking to provide debt facilities to complete the upcoming NZ Institute of Sport group transaction and the final acquisition payment for

OCA group in Q1 2016, along with an increase in Intueri's minimum debt/EBITDA banking covenant ratio.

As announced on 23 November 2015, Intueri is committed to co-operating fully with the TEC reviews of two of its New Zealand schools, which it understands are primarily focused on legacy issues, and reiterates that none of the group's other schools are subject to review.

The TEC review is expected to have a one off impact on 2015 full year earnings of \$4m - \$5m (excluding any recourse received from vendors). EBITA margins are still expected to remain comfortably above 20%, generating a solid and stable cash flow. Intueri will update the market as necessary as the TEC review progresses.

The company's focus is on maximising returns and realising opportunities in existing operations, and staff continue to build enrolments for 2016 and deliver quality vocational education outcomes.

-Ends-

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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, 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.

ⁱ NAPTA is Net profit after tax adjusted for non-cash amortisation of acquired Intangibles and is the basis for Intueri's dividend policy.