

**NZX/ASX RELEASE**

23 NOVEMBER 2015

**IQE - INTUERI RECEIVES NOTIFICATION OF REVIEW FROM TERTIARY EDUCATION COMMISSION**

Intueri Education Group has received notification from the Tertiary Education Commission (TEC) that it will be undertaking reviews of two of Intueri's schools, Quantum Education Group (Quantum) and the New Zealand School of Outdoor Studies (the Dive School).

While the timing and terms of reference are still to be confirmed, Intueri is committed to co-operating fully with the TEC during these reviews, which Intueri understands will primarily focus on legacy issues.

Intueri's initial assessment of the implications of the TEC notification is as follows:

- Due to a change in TEC's position, Intueri will be reinstating a provision for reimbursement of funding received at the Dive School
- At this point in time no provision is required to be taken in respect to the Quantum review
- Current discussions between TEC and Intueri, regarding funding portability between schools within the Intueri group for 2015, are on hold until completion of the reviews
- The potential impact on 2015 earnings of these matters is estimated at between NZ\$4-5 million
- If financial liability is established for legacy issues in respect of either Quantum or the Dive School, then Intueri will seek recourse from the original vendors

**Dive School:** The TEC has advised that it has changed its position, previously relayed to Intueri, on historical enrolment inconsistencies at the Dive School as identified in an EY report commissioned by Intueri at the end of 2014. Accordingly, until the outcome of the review is known, Intueri intends to reinstate a Dive School provision of NZ\$1.1 million which was reversed in the 2015 Interim results.

**Funding portability:** While TEC has confirmed it is not averse to Intueri's proposal around the transfer of Student Achievement Component (SAC) based funding between schools within the Intueri group, they have advised that these discussions are now on hold. This may reduce earnings by approximately NZ\$3 million for the 2015 year, unless resolved before year end.

Intueri will keep shareholders fully informed as to the outcome of these matters.

The Directors of Intueri are unwavering in their commitment to deliver quality education outcomes in line with the New Zealand Government's Tertiary Education Strategy.

Ensuring quality outcomes for students, including enrolling the right students onto the right programmes, is at the heart of Intueri's strategy. The company has made a number of changes to schools post-acquisition to align all enrolment and reporting measures with Intueri's best practice quality mandate, and will continue to engage with regulatory bodies on both sides of the Tasman to ensure quality vocational education outcomes are delivered.

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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.

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