



INFORMATICS HOLDINGS LTD

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NEWS RELEASE

Informatics Slashes Losses for Third Consecutive Quarter in Q2FY2006

Singapore 10 November 2005 – Mainboard-listed Informatics Holdings Ltd (“Informatics” or the “Group”), a leading provider of quality lifelong learning services, has slashed its quarterly losses for the third consecutive quarter in Q2FY2006.

The net loss was reduced by 86% to S\$3.8 million from S\$28.1 million previously, due largely to savings of \$6.8 million in operating expenses in Q2FY2006 and to the \$16.6 million in aggregate one-time charges taken up in Q2FY2005.

Operating revenue dropped 14% to S\$14.3 million, due mainly to the deconsolidation of subsidiary Cornerstone, after it was disposed on 22 March 2005. Excluding the revenue contribution from Cornerstone, the revenue reported in the previous corresponding quarter would have been \$14.0 million, which means that the Group’s revenue for this quarter would have shown an increase of 2% or \$0.3 million.

In spite of the challenging conditions in which the Group operates, its quarter-to-quarter performance had been encouraging. Its loss before tax and exceptional items was reduced by \$0.8 million or 18% to \$3.8 million from \$4.6 million in Q1FY2006. Its revenue also showed an increase for the first time in the last 4 quarters.

On the Group’s outlook, Informatics Chief Executive Officer Dr Michael Teng Yeow Heng said, “The education sector in which the Group operates will continue to be challenging.

But we have successfully reversed the decline in our revenue and controlled our costs within the expected level in this quarter. Going forward, we will continue to focus our effort on revenue growth from both new and existing programmes and courses. We will also focus on improving our financial and operational management control system. In addition, the Group will continue its effort to dispose its remaining non-core assets.”

The new initiatives launched by Informatics early this year includes flexi programme Capstone which incorporates e-learning and face-to-face tutorials, gaming and animation technology, cyber security, hotel and tourism, logistics, “O” Level programme, and twinning degree arrangements with foreign universities.

One of Informatics’ unique selling propositions is its facility for switching seamlessly from Informatics’ physical campus to its Informatics Virtual Campus, in the event of bird flu, SARS or any other pandemic and the physical campus has to close. Informatics is one of the few global education providers that can allow its students to seamlessly continue their studies from their home countries or hostels in the event of closure of its schools due to a flu pandemic. This preparedness is important as the Group now has a wider global network of franchisees, anyone of which could potentially be hit by a flu outbreak.

Informatics won the Golden Brand Award in September 2005, in recognition of the company’s success in building a strong brand name. The Golden Brand Award for the Education sector is a competition run by the organizers of the International Brand Summit 2005, an event held in conjunction with the mega event, Global Entrepolis @Singapore, jointly presented by the Singapore Economic Development Board (EDB) and the Singapore Business Federation.

In November 2005, a group of Informatics’ staff were awarded the national Excellent Service Award (EXSA) 2005 by SPRING Singapore in recognition of their outstanding services. This is the second consecutive year Informatics’ staff had won and the company is the only Private Education Organisation with this honour.

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ABOUT INFORMATICS GROUP

The Informatics Group, listed on the mainboard of the Stock Exchange of Singapore, was established in 1983, and is a multinational corporation providing lifelong learning services in information technology and business management. Informatics presently has a global network spanning more than 50 countries, offering programmes from O/A Levels (for international students) to undergraduate and postgraduate degree completions. The Company has won many awards including the Singapore Brand Awards 2002 and 2003, the Singapore Quality Class for Private Education Organisations (SQC for PEO) and certification for the ISO 9001:2000 standards. This is followed by the Golden Brand Award in September 2005, in recognition of the company's success in building a strong brand name. In July year 2005, Informatics attained CaseTrust for Education, a scheme by the Consumer Association of Singapore to certify companies that have foundation for good quality student welfare practices and standards. For more information, please visit <http://www.informaticsgroup.com>.

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