



INFORMATICS HOLDINGS LTD

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NEWS RELEASE

Informatics cuts losses further with huge savings in operating expenses and lower staff costs

Singapore 15 August 2005 – Mainboard-listed Informatics Holdings Ltd (“Informatics” or the “Group”), a leading provider of quality lifelong learning services, continues to make great strides in reducing its losses. For the first quarter ended 30 June 2005, its net loss shrank a sharp 85% to S\$3.9 million from S\$26.4 million in the corresponding period a year ago. Results of the first quarter ended 30 June 2005, has also shown a marked improvement over the previous quarter as losses attributable to shareholders decreased from S\$4.7million to S\$3.9million.

The significant reduction in net losses in first quarter ended 30 June 2005 compared with the corresponding period a year ago was mainly due to the Group achieving massive savings of S\$11.6 million in operating expenses. Also helping to reduce the red ink was a S\$4.0 million fall in staff costs. Losses in the first quarter of FY2005 was significant due to exceptional items of S\$11.0million.

Key Financial Highlights	1Q06	1Q05	Change
Operating Revenue	S\$14.2m	S\$19.9m	-29%
Other Operating Expenses	(S\$9.6m)	(S\$21.2m)	-55%
Staff Costs	(S\$8.1m)	(S\$12.0m)	-33%
Exceptional Items	S\$0.8m	(S\$11.0m)	N/M
Net Loss	(S\$3.9m)	(S\$26.4m)	-85%

Informatics Chief Executive Officer Dr Michael Teng Yeow Heng said, “The Group has made great progress in consolidating its businesses, especially in Singapore, with a new management team and campus facilities. Going forward, we will continue to focus our effort on revenue growth from both new and existing programs and courses, as well as on cost control and improvement in financial and operational management control systems.”

Group revenue dropped 29% to S\$14.1 million, due mainly to a S\$4.5 million decline in revenue after subsidiary Cornerstone was disposed on 22 March 2005. Revenue fell another S\$2.8 million when the Group’s Malaysian operations closed their loss-making centres. However, the Group obtained S\$1.5 million more in revenue mainly from its Hong Kong and European operations.

Fees received by the Group in advance for courses that have yet to commence increased by S\$3.3 million to S\$15.5 million, while payments of university fees during the quarter led to a S\$3.1 million decline in trade creditors to S\$4.3 million.

The Group had already launched a number of new initiatives, including a flexi program called Capstone that incorporates e-learning and face-to-face tutorials; courses on gaming and animation technology, cyber security, and applied nursing; “O” Level program; twinning arrangements for degree courses with foreign universities; and Chinese programmes.

The Group will also continue its effort to dispose its remaining non-core assets. And it is currently exploring various options and arrangements to seek financial commitments from underwriters to the previously announced proposed rights issue to raise additional capital for the Group.

Its single largest shareholder, Berjaya Land Berhad, has expressed continuing unwavering financial support for the Group, including willingness to offer some form of financial security to assist Informatics in seeking commitments from underwriters.

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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 degrees. 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) as well as the People Developer Standards Award. For more information, please visit

<http://www.informaticsgroup.com>.

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