



INFORMATICS EDUCATION LTD

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NEWS RELEASE

Informatics cuts 1Q07 net loss by 29% to S\$2.8m

Singapore 2 August 2006 – Mainboard listed, Informatics Education Ltd, (“Informatics” or the “Group”), previously known as Informatics Holdings Ltd, a leading provider of quality lifelong learning services, has cut its 1Q07 net loss by \$1.15 million or 29% to S\$2.8 million from S\$3.9 million previously. With the latest quarter’s improvement, the Group has managed to cut its net losses in 5 out of the past 6 quarters.

The Group’s loss from operations was down by 34% to \$2.9 million from \$4.3 million compared with the same period of last year. The operating loss reduction was achieved by a 21.1% reduction in staff costs, fixed asset depreciation and other operating expenses to S\$14.6 million, in spite of a 17% decline in operating revenue to S\$11.7 million.

The fall of \$2.4 million in Group operating revenue was mainly due to the rationalisation exercise in the Malaysian operations, disposal of ATS business in November 2005, and poor performance in e-learning business segment. Some of these decreases in revenue were offset by encouraging growth shown in Hong Kong, Singapore and Sri Lanka school operations, as well as the Group’s European operations.

Informatics’ Acting Chief Executive Officer Mr Val Ortega said, “In spite of the challenging conditions in which the Group continues to operate, its performance during 1Q07 had been encouraging. While our tight leash on costs and expenses continues to bear fruits, revenue performance showed further improvement in the key territories of Hong Kong, Singapore and Sri Lanka, whilst our validation unit in the UK has also contributed to the encouraging showing.”

During this period, fees received in advance (course fee revenue deferred to future periods) increased by S\$0.8 million to S\$19.0 million. The Group's balance sheet reflected a net liability position of \$17.1 million as at 30 June 2006. However, excluding the deferred course fee revenue, the Group's balance sheet would have shown a net asset position of \$1.9 million as of 30 June 2006.

Consistent with the Group's focus and to better reflect its core business activity, the Company adopted the name Informatics Education Ltd in place of Informatics Holdings Ltd. The name change was approved at its recent Extraordinary General Meeting held on 31 July 2006 and became effective on the same day. The change in name of the Company will provide a clearer identity for the Group with a renewed emphasis on the core business of education and providing a strong foundation for the Group to achieve its vision of becoming a global leader in providing quality lifelong learning services for individuals and corporations.

Going forward, Mr Val Ortega added, "The Group has managed to sustain its improvement in cost control and operational efficiency in 1Q07. We will continue our effort on revenue growth through product development and new market penetration, as well as improvement in financial and operational management control systems."

The Board noted that the Group's financial position has improved after the latest rights issue. However, its NTA remains negative, due to current and past losses. The Group may need to raise additional funds by issuing equity via another rights issue or private placement. The Group may also consider entering into strategic partnerships to enhance the Group's core business, which may entail fresh equity injection into the Company. These efforts may comprise approaching other parties including the Berjaya Companies.

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ABOUT INFORMATICS GROUP

Informatics Education Ltd (IEL) is a multinational corporation listed on the Mainboard of the Stock Exchange of Singapore. Established in 1983, it is a leader in providing quality lifelong learning services in the fields of information technology and business management. Informatics currently has centres worldwide and a global network spanning Asia, Middle East, Africa, Latin America and other regions. The Group offers programmes from diplomas to undergraduate and postgraduate degrees. It has the most awards among Private Education Organisations (PEO) in Singapore, 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. Following these, it clinched the Golden Brand Award in September 2005 and CaseTrust for Education in July 2005. Informatics has the most number of international government scholars among the PEOs and is also the only PEO in Singapore with employees awarded the National Excellent Service Award (EXSA) for two consecutive years (2004-2005). For more information, please visit <http://www.informaticsgroup.com>.

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