



INFORMATICS HOLDINGS LTD

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NEWS RELEASE

Informatics' Losses Cut for 4th Successive Quarter in Q3FY2006

Singapore 10 February 2006 – Mainboard-listed Informatics Holdings Ltd (“Informatics” or the “Group”), a leading provider of quality lifelong learning services, has succeeded in cutting its losses for the fourth quarter running in the Third Quarter of Financial Year 2006.

Net loss was reduced by 36% in Q3FY2006 to \$7.8 million from \$12.2 million previously, due mainly to savings in staff costs (\$2.9 million) and other operating expenses arising from group consolidation exercise. For the first nine months of FY2006, net loss decreased 77% to \$15.5 million from \$66.7 million a year ago.

The Group has recently completed a comprehensive review of its business in China. Its long-term plan for the Chinese market has been re-strategised to achieve greater presence and penetration. As a result, the remaining carrying value (\$4.8 million) of its China joint venture under the old model was fully impaired during the quarter. Excluding this impairment, its net loss would have been further reduced by \$0.8 million to \$3 million as compared with \$3.8 million in the immediate preceding quarter.

Group revenue dropped 33% to \$14.5 million from \$21.7 million previously, due mainly to the deconsolidation of subsidiary Cornerstone and decline in Malaysian operation. However, its quarter-to-quarter performance showed further improvement as compared with the \$14.3 million recorded in the immediate preceding quarter.

Whilst the educational sector remains challenging and the Group is not entirely out of the woods yet, the Group has successfully maintained its strong fundamentals. For example, its independently managed accreditation unit, NCC Education based in the UK with almost 300 centres worldwide continues to do well and grow steadily. NCC Education is continually seeking to add to its programme portfolio. Since 2002 it has successfully launched ten new programmes, including the recently approved University of Wales validated BSc (Hons) in Business Administration. This programme is for students worldwide who are keen to attain a British degree in one year but who are not always able to travel to the UK to study.

Another strong fundamental is the Group's Capstone flexi programme that incorporates e-learning and face-to-face tutorials. This truly unique programme is offered through the Group's and NCC Education's centres, which together total almost 600 centres spread across more than 50 countries around the world.

Also notable is that Informatics has the most number of international government scholars among Singapore's Private Education Organizations (PEOs). Governments usually send their scholars to public educational and training institutions, rather than private ones. Hence, the fact that Informatics is able to host the most international government scholars among PEOs here attests to the confidence in the Group's high educational standards and service quality.

Going forward, the Group will continue to focus its effort on growing revenue from both new and existing courses, as well as in improving financial and operational management control systems.

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ABOUT INFORMATICS GROUP

Informatics Holdings Ltd (IHL) 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 300 centres worldwide and a global network spanning more than 50 countries. The Group offers programmes from O levels (for international students) and 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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