



INFORMATICS HOLDINGS LTD

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NEWS RELEASE

Informatics on the road to recovery with 88% improvement in net loss attributable to shareholders in the quarter ended 31 March 2005, compared to the previous quarter

Singapore, 24 May 2005 – Mainboard-listed Informatics Holdings Ltd ("Informatics"), a leading provider of quality lifelong learning services, has announced its results for the year ended 31 March 2005, showing net loss of S\$67.1 million, after taking into account the provision of S\$15.8 million made for an educational investment in the United States and a joint venture of S\$10.0 million in China, compared to a loss of S\$44.2 million in the previous financial year.

For the quarter ended 31 March 2005, the Group managed to narrow its net loss attributable to shareholders to S\$1.5 million, after taking into account an exceptional gain of S\$5.4 million arising mainly out of the disposal of its subsidiary, Cornerstone, in Sweden. This compared favourably to a loss of S\$12.5 million in the previous quarter. Quarter-on-quarter results map a sturdy recovery trend with net loss narrowing significantly in Q3FY2005 to S\$12.5 million from S\$26.7 million in Q2FY05. This quarter's results show a marked improvement over the last quarter.

"Our Q4FY2005 results show that the Group is moving in the right direction. Education is a multi-billion dollar business. Singapore domestic spend on private education alone is S\$1.6 billion¹ and all our key markets in China, India and Middle East are experiencing growth. Our initial launch programme into Middle East was a great success. We have the right strategy in place and Informatics is pridefully being rated the top tier private education brand by the market.² The management and Board are committed to turn the Company around," said Dr Michael Teng, Chief Executive Officer of Informatics Group.

¹ Statistical source: MPD research (February 2005), compiled by Singapore Press Holdings.

² Statistical source: MPD research (February 2005), compiled by Singapore Press Holdings.

"We have restructured the organisation and also brought in new expertise to augment future growth. In addition, the move to the campus is part of the turnaround plan," continued Dr Teng.

Going Forward

The business environment has continued to be challenging. However, the Group is on the road to recovery. With a continued focus on new growth initiatives and market penetration, the Group is well positioned to compete in the global market, particularly in Asia Pacific.

New growth initiatives

Some of the new growth initiatives that Informatics has embarked on include the following:

(1) Capstone (Flexi-Learning) programmes

Informatics' unique Capstone (Flexi-Learning) programme is targeted at the global market. Capstone offers a completely modular and flexible curriculum, that incorporates the integrated methodology of face-to-face and online e-Learning, including an optional "on-campus" module at Informatics Campus in Singapore.

(2) Key programmes in niche industries

- a. Gaming and Animation Technology
- b. Applied Nursing

These programmes offer students a degree completion pathway. Informatics is the first and only education provider in Singapore to offer a degree programme in Gaming and Animation Technology. The Applied Nursing programme is a unique curriculum that offers students the opportunity to carve out a Nursing career in the UK.

(3) Tourism and Hospitality

Informatics will be re-launching its diploma programmes in Tourism and Hospitality to cater to the manpower needs of the Integrated Resorts in Singapore.

(4) Partnership with EC-Council on Cybersecurity

Informatics has recently partnered with the world renowned EC-Council to launch the world's first EC-Council higher education programmes in Networks and Cybersecurity on a global scale, leading to a university degree.

"These EC-Council programmes target at the growing segment of the cybersecurity market where skilled professionals are in demand, due to increasing threats of cyber-terrorism. A separate exclusive

distributorship agreement has been signed with the EC-Council for Australia and Japan,” continued Dr Teng.

(5) Collaborations on twinning degree arrangements with Universities

In line with the growing demand of higher education, Informatics has initiated collaborations with a number of universities in the region, including China, Vietnam, the Philippines, Indonesia, and Oman, to offer twinning degree arrangements to students. More announcements will be made in due course.

Market Penetration

The new Capstone programmes have the capability to deliver internationally recognized higher education programmes to students anywhere in the world, without having to leave their home countries. The positive results of the Capstone are beginning to stream in with increased sign-ups in the Middle-East and Asia.

“For instance like Dubai, the student take-up rate for the Capstone programmes has been very encouraging, despite a very competitive education landscape in Dubai,” said Dr Teng.

With the governor of Jigawa State, Nigeria as its key partner in the African continent, the Group is poised to make further inroads into this vast market. The government of Nigeria will be sending over an initial batch of over 80 students on a government scholarship to study at Informatics Campus, Singapore later this year.

Good growth potential in China

Informatics has not fallen sight of the importance and potential of the China market and has accordingly intensified its development efforts in China dimensionally encompassing its subsidiary operation, students recruitment and collaboration with educational institutions. To begin with, Informatics has recently re-launched its Chinese IT programmes (taught fully in Chinese) from diploma to advanced diploma levels with NCC (UK) accreditation, and leading to a Bachelor of Science (BSc) degree and subsequently Master degree from the University of Wales in the UK. Similar programmes in Business Administration are in the pipeline. The Chinese programmes are targeted at the China and Taiwan markets. In the domestic market, working professionals who are keen to network and do business with China and Taiwan, as well as the Chinese-speaking community (including foreign students), have expressed interest in the Chinese programmes.

Informatics Campus, Singapore

In the meantime, the move to the new 600,000 sq ft campus in January this year is complete and will help to rationalize, facilitate management control, as well as being a boost to the marketing image of Informatics. The Informatics Campus is conveniently located at the suburban Jurong East town centre, served by the MRT and bus interchange. The campus is equipped with wireless infrastructure, modern classroom and sporting facilities, including a library. Feedback on the campus has been positive and encouraging from both students, staff and business partners.

A key strategy for the campus is the Informatics unique O-Level Through-Train programme, which is targeted at foreign students, offering accelerated and flexible degree pathways from O-level onwards. The concept is to offer a holistic education experience at the campus, emphasizing both academic as well as non-academic areas, to develop well-rounded individuals.

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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) as well as the People Developer Standards Award. For more information, please visit <http://www.informaticsgroup.com>.

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