

INFONAUTICS FINANCIAL NEWS RELEASE, Q1 1999

Infonautics, Inc. Reports Results For First Quarter Of 1999 - Revenues Double, Lower Operating Cost

Infonautics, Inc. (NASDAQ:INFO), a rapidly growing Internet information company, today reported record revenue, lower net loss and continued growth in new sales bookings. In addition, the company reported strong growth in the registered user base of Company Sleuth (<http://www.companysleuth.com>).

Infonautics reported revenue of \$5.2 million for the first quarter of 1999. This represents an increase of 102 percent over the \$2.6 million in last year's comparable period and an increase of 13 percent over the immediately preceding quarter. The company also announced that the loss from operations in the quarter improved to \$2.5 million from \$4.8 million in the comparable quarter in 1998.

Van Morris, President and Chief Executive Officer, said, "In the first quarter, the company again demonstrated significant improvement in operating fundamentals. At the same time, the momentum of Company Sleuth in the market place provided shareholders with a preview of our strategy for future growth, and a strong indication of our ability to execute on that strategy."

New sales bookings were \$6.1 million in this year's first quarter. This represents an increase of 63 percent over the \$3.8 million total in last year's first quarter and 14 percent more than the previous quarter total of \$5.4 million. Sales bookings represent the value of firm, non-cancelable customer commitments that convert to revenue over the life of the contract.

At the end of the first quarter 1999, Company Sleuth had more than 120,000, and currently has more than 145,000 registered users. At the same time, Electric Library® was licensed to more than 15,000 schools and libraries and had more than 75,000 paying individual subscribers. Commenting on increased product usage, Mr. Morris noted that paying Electric Library customers downloaded nearly 10 million documents during the quarter.

According to the February 1999 Media Metrix Web Report, the reach of the Infonautics Network places it in the top 75 web properties on the Internet. The Infonautics Network currently generates more than 20 million monthly page views and reaches almost 2 million unique visitors each month. Mr. Morris said, "The Infonautics Network combines web properties which bring together the right content and business model to serve a specific customer set. Right now, subscriptions provide the majority of the company's revenue. We believe that the combination of advertising, e-commerce and subscription revenue streams represents the right business model for our company long term."

Operating costs were \$6.0 million during the first quarter, compared with \$6.5 million in the first quarter of 1998, and \$7.0 million in the immediately preceding quarter.

Net loss for the quarter improved to \$2.9 million or \$0.25 per share. Net loss for the corresponding quarter of 1998 was \$4.7 million or \$0.49 per share. The per share improvement was impacted by the lower net loss and a more than 20 percent increase in shares outstanding since March 31, 1998.

The company's deferred revenue and backlog was \$12.9 million at the end of the first quarter, up 72 percent

from \$7.5 million at March 31, 1998.

Cash used in operations was \$2.7 million during the first quarter compared with \$5.1 million in the first quarter of 1998 and \$1.4 million in the immediately preceding quarter. Cash used from operations was impacted by the seasonality of the company's business with schools.

ABOUT INFONAUTICS

Infonautics, Inc. (NASDAQ: INFO) is a leading Internet information company that provides online information services to schools, libraries, consumers and businesses. Its award-winning Electric Library service was the first reference service of its type on the Internet, and today is one of the fastest growing electronic reference products for schools and libraries, serving more than 15,000 institutions in all 50 states. Electric Library is also one of the largest paid subscription sites on the web with more than 75,000 paying subscribers. The Company's newest service, Company Sleuth, is a free service that uncovers hard-to-find and seemingly hidden business information on the Internet, and has more than 145,000 registered users. The Company also provides e-commerce online publishing services to major publishers and other content creators. Infonautics was founded in November 1992, and is headquartered in Wayne, PA.

ABOUT THE INFONAUTICS NETWORK

The Infonautics Network generates more than 20 million page views per month and reaches almost 2 million unique visitors each month. The Network consists of web properties created, owned and operated by Infonautics and consists of: Company Sleuth (<http://www.companysleuth.com>) – the Internet's leading source of free, legal, inside business information about publicly-traded companies; Electric Library (<http://www.elibrary.com>) – one of the leading subscription-based consumer and educational information services on the Internet; Encyclopedia.com (<http://www.encyclopedia.com>) – the second most popular encyclopedia* on the Internet; and Researchpaper.com (<http://www.researchpaper.com>) – one of the leading websites providing high-school and college students with assistance in researching and writing term papers.

* Encyclopedia category: defined by Infonautics, includes: Microsoft Encarta, Encyclopedia Britannica, Groliers, and InfoPlease.

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This news release contains, in addition to historical information, forward-looking statements that involve risks and uncertainties. These forward-looking statements include statements regarding the Company's growth and expansion plans, the sufficiency of the Company's liquidity and capital, new products and services, the number of unique visitors, subscribers, and registered users of the Company's products and services, the number of page views for its products and services, and advertising, e-commerce and subscription business models and products. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. More information about potential factors which could affect the Company's financial results is included in the Risk Factors sections of the Company's filings with the Securities and Exchange Commission. All forward-looking statements included in this document are based on information available to the company as of the date of this document, and the company assumes no obligation to update any such forward-looking statements.

INFONAUTICS, INC. SUMMARY FINANCIAL DATA

Three Months Ended

	March 31,	
	1999	1998
Statement of Operations Data:		
Total revenues	\$5,231,000	\$2,584,000
Total costs and expenses	\$7,754,000	\$7,364,000
Loss from operations	\$(2,523,000)	\$(4,780,000)
Net loss	\$(2,810,000)	\$(4,672,000)
Redemption of preferred stock in excess of carrying amount	\$(75,000)	\$0
Net loss applicable to common shareholders	\$(2,885,000)	\$(4,672,000)
Net loss per share	\$(0.25)	\$(0.49)
Weighted average shares outstanding - basic and diluted	11,647,200	9,493,000

	March 31	December 31
	1999	1998
Balance Sheet Data:		
Cash, cash equivalents	\$3,143,000	\$3,268,000
Working capital (deficit)	\$(4,956,000)	\$(5,561,000)
Total assets	\$9,782,000	\$10,192,000
Long-term debt, less current portion	\$2,721,000	\$577,000
Total shareholders' equity (deficit)	\$(5,157,000)	\$(3,298,000)