

INFONAUTICS FINANCIAL NEWS RELEASE, Q2 1997

Infonautics, Inc. Reports Higher Revenues, Reduced Net Loss for Second Quarter of 1997

WAYNE, Pa., July 23 Infonautics, Inc. (Nasdaq:INFO), a provider of premium online content and custom online archive services, today reported revenues of \$1.9 million in the second quarter of 1997, compared with \$807,000 in this year's first quarter. With a non-recurring amount of \$500,000 related to a marketing agreement excluded from consideration, second quarter 1997 revenues were \$1.4 million -- 74 percent more than the previous quarter's total and 227 percent more than the \$430,000 reported in the second quarter of 1996.

The company's second quarter 1997 net loss of \$4.1 million, or \$0.44 per share, is 21 percent lower than the net loss of \$5.2 million or \$0.56 per share in this year's first quarter. In the second quarter of 1996 the net loss was \$2.6 million or \$0.31 per share.

During the second quarter of 1997, Infonautics received \$3.8 million in commitments from customers, compared to \$1.3 million of commitments in the previous quarter. Commitments include revenue to be recognized from institutional contracts, monthly and annual consumer subscriptions, and contracted online archival services.

Marvin I. Weinberger, chairman and chief executive officer, said, "The company is successfully building a large base of loyal customers, and this base is developing into a solid foundation for long-term success in our institutional and consumer markets."

As of June 30, 1997, Infonautics had contracts with institutional customers providing access to Electric Library for approximately 3,500 schools, libraries and other institutions. This compares with 2,300 such institutions at the end of this year's first quarter.

At the end of this year's second quarter, Infonautics had 35,500 subscribers for its Electric Library and Homework Helper reference services. This is a 52 percent gain over the total at the end of the first quarter of 1997, and it includes 31,300 Electric Library subscribers (71 percent more than 18,300 subscribers at the end of the first quarter) and 4,200 Homework Helper subscribers.

"We are seeing real gains in the productivity of our institutional sales force," said Van Morris, president and chief operating officer. "Additionally, we are benefiting from promotion of consumer annual subscriptions and access to Electric Library through America Online. The fact that little school or research work is done in July and August adds a seasonable element to our sales, and growth rates in the third quarter are likely to reflect this seasonality."

Total costs and expenses were \$6.3 million in the second quarter, compared with \$6.4 million in the previous quarter and \$3.4 million in the second quarter of 1996.

As of June 30, 1997, Infonautics had current assets of \$19.0 million (versus \$23.4 million at the end of the first quarter) and total assets of \$22.0 million (versus \$26.0 million one quarter earlier).

Previously announced events of the second quarter of 1997 included:

- An agreement that allows NETCOM On-Line Communications to offer Electric Library as part of its NETCOMplete Advantage Pro Service.
- An agreement under which the web version of Electric Library is being made available to universities, colleges, schools and libraries internationally via the distribution capabilities of Silver Platter Information.

Additionally, after the end of the second quarter, Infonautics' new media services unit announced the first sale, to Hewlett-Packard Company, of a new turnkey knowledge management system for intranets and extranets. This system, called EKMS-Direct, is an extension of Infonautics' EPP-Direct service.

About Infonautics

Infonautics' flagship reference service, Electric Library, is available through the Internet at <http://www.electriclearning.com> and <http://www.education.elibrary.com> and consumer online services. It is also marketed to educational institutions. The company's core technology product, Electronic Printing Press is available to content creators through a turnkey digital archive hosting system, EPP-Direct, and is the basis of EKMS-Direct, a turnkey knowledge management system for intranets and extranets. Infonautics was founded in November 1992 and is headquartered in Wayne, PA.

Additional information on Infonautics can be found at <http://www.infonautics.com>. Infonautics, Electric Library, Homework Helper, Electronic Printing Press, EPP, EPP-Direct and EKMS-Direct are service marks or trademarks of Infonautics, Inc. or its subsidiaries. All other marks are of their respective holders and should be noted as such.

To receive additional information on Infonautics, via fax at no charge, dial 1-800-PRO-INFO and enter code INFO.

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 and the sufficiency of the Company's liquidity and capital. 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 Company's annual report on Form 10-K for the year ended December 31, 1996, which is on file with the Securities and Exchange Commission.

INFONAUTICS, INC. SUMMARY FINANCIAL DATA

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	1997	1996	1997	1996
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Statement of Operations Data:				
Total revenues	\$1,904,000	\$430,000	\$2,711,000	\$620,000
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Total costs				

and expenses	\$6,315,000	\$3,358,000	\$12,683,000	\$6,572,000
Loss from operations	\$(4,411,000)	\$(2,929,000)	\$(9,972,000)	\$(5,952,000)
Net loss	\$(4,139,000)	\$(2,602,000)	\$(9,365,000)	\$(5,617,000)
Pro forma net loss per share	\$(0.44)	\$(0.31)	\$(1.00)	\$(0.78)
Shares used in computing pro forma net loss per share	9,391,600	8,435,000	9,391,600	7,204,000
	June 30 1997	December 31 1996		

Balance Sheet Data:

Cash, cash equivalents and investments	\$17,209,000	\$27,379,000
Working capital	\$15,417,000	\$25,841,000
Total assets	\$21,962,000	\$30,227,000
Total shareholders' equity	\$18,391,000	\$27,688,000