

INFONAUTICS FINANCIAL NEWS RELEASE, Q3 1999

Infonautics, Inc. Reports Third Quarter Financial Results - Company Generates Cash From Operations

Infonautics, Inc. (NASDAQ:INFO), a pioneering Internet information services company, today reported financial results for the three and nine months ended September 30, 1999.

Infonautics generated \$2.1 million of cash from operations during the third quarter, a seasonally strong quarter for cash collections. "Generating cash from operations for the first time in our company's history is an important milestone which demonstrates that we have achieved the turnaround we sought," said Van Morris, president and chief executive officer of Infonautics. "This achievement comes as we are about to embark on an exciting strategic change for the company as a result of our transaction with Bell & Howell announced earlier this year."

Revenue for the quarter ended September 30, 1999 increased to \$6.2 million, 49 percent greater than \$4.1 million in the third quarter of 1998. Revenue for the nine months ended September 30, 1999 was \$17.4 million, 69 percent more than the \$10.3 million during the same period last year. Revenue from Electric Library® increased 80 percent over the same quarter last year. However, total revenue growth was offset by declines, primarily in knowledge management services, which the Company is no longer pursuing.

Infonautics' third quarter loss from operations improved to \$1.75 million, 59 percent lower than the \$4.2 million reported in the third quarter of last year. "We continued to improve our operating fundamentals with our fifth consecutive quarter of lower net loss and our eighth consecutive quarter of revenue growth," said Morris.

Infonautics' third quarter net loss was \$2.0 million or \$0.17 per share, compared with a net loss of \$4.2 million or \$0.44 per share during the third quarter of 1998.

Operating costs were \$6.2 million during the third quarter compared with \$7.3 million in the third quarter of 1998.

Deferred revenue and backlog totaled a record \$16.3 million on September 30, 1999, 36 percent higher than the \$12.0 million total on December 31, 1998.

New sales bookings were \$6.9 million in this year's third quarter, an increase of 19 percent over last year's third quarter performance. On a year-to-date basis, sales bookings were \$21.6 million, up 40 percent over the first nine months of last year. Sales bookings represent the value of firm, non-cancelable customer commitments that convert to revenue over the life of the contract.

As of September 30, 1999, there were more than 315,000 Company Sleuth™ (<http://www.companysleuth.com>) registered users, representing an increase of more than 45 percent over the second quarter of 1999. As of September 30, 1999, Infonautics Sleuth services, consisting of Company Sleuth, Sports Sleuth, Job Sleuth and Fantasy Sports Sleuth, had more than 350,000 registered users. At the same time, Electric Library (<http://www.elibrary.com>) was licensed to more than 19,400 schools and libraries and had more than 83,000 paying individual subscribers. "We are pleased with the continued growth of the

Company Sleuth user base and the initial customer reaction to Sports Sleuth (<http://www.sportssleuth.com>),"said Morris. "We look forward to continuing to execute our Internet strategy of having the best information on the Internet find the user."

Commenting on the previously announced agreement to create a new company with Bell and Howell Company (NYSE:BHW) Morris said, "Upon completion of the deal, Infonautics will have capital to invest in our award-winning web properties such as Company Sleuth, Sports Sleuth and the consumer version of Electric Library. Furthermore, we believe that Infonautics' ownership interest in the new company can provide Infonautics with potentially significant value over time."

Infonautics' Chairman, Lloyd Morrisett, and Van Morris have recently been named to the board of the new, yet-to-be-named Internet education company. "I am very pleased to report that Jack Lynch has been appointed chief executive officer of the new company," said Morris. "I will continue my role of integrating the contributed business units while Jack will spend time on corporate strategy, acquisitions, and building out the K-12 portal. Over the last several months, I have gotten to know Jack, and I am convinced he is the right person to lead the new company."

The company will have a conference call Thursday, October 21, 1999, at 1:00 p.m. ET. The call will be available on the Internet through V-call at <http://www.vcall.com>. To listen to the call, please go to the v-call web site at least fifteen minutes early to register, download, and install any necessary audio software. For those who cannot listen to the live broadcast, a replay will be available shortly after the call.

ABOUT INFONAUTICS

Infonautics, Inc. (NASDAQ: INFO) is a pioneering provider of Internet information services to schools, libraries, consumers and businesses. The Infonautics Network of web properties includes the award-winning Company Sleuth, Electric Library, Sports Sleuth, Job Sleuth, Fantasy Sports Sleuth, Encyclopedia.com and Researchpaper.com. Company Sleuth is the Internet's leading source of free, legal, inside information about publicly traded companies and has recently been selected by PC Magazine as one of the "Top 100 Web Sites" on the Internet. Electric Library 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 19,400 institutions in all 50 states. Electric Library is also one of the largest paid subscription sites on the Web with more than 83,000 paying subscribers. The Company also provides e-commerce online archive services to major publishers and other content creators. Infonautics was founded in November 1992, and is headquartered in Wayne, PA.

To view Infonautics financial charts, go to: <http://www.infonautics.com/investor/index.html> - click on Financials, then click on Business Trends

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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 may include statements regarding, for example, the Company's ability to continue its financial and operational performance, the Company's strategic plans with Bell & Howell Company and the value derived from this relationship, and the development and success of the Company's various Infonautics Sleuth businesses and Electric Library businesses. 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		Nine Months Ended	
	September 30,		September 30,	
	1999	1999	1999	1999
Statement of Operations Data:				
Total revenues	\$6,172,000	\$4,148,000	\$17,380,000	\$10,313,000
Total costs and expenses	\$7,922,000	\$8,371,000	\$23,601,000	\$24,128,000
Loss from operations	\$(1,750,000)	\$(4,223,000)	\$(6,221,000)	\$(13,661,000)
Net loss	\$(2,025,000)	\$(4,214,000)	\$(7,195,000)	\$(13,661,000)
Redemption of preferred stock in excess of carrying amount	\$0	\$0	\$(75,000)	\$0
Net loss applicable to common shareholders	\$(2,025,000)	\$(4,214,000)	\$(7,270,000)	\$(13,661,000)
Net loss per common share - basic and diluted	\$(0.17)	\$(0.44)	\$(0.62)	\$(1.42)
Weighted average shares outstanding - basic and diluted	\$11,692,400	\$9,640,900	\$11,682,800	\$9,589,700

September 30, 1999	December 31, 1998
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Balance Sheet Data:

Cash, cash equivalents and
investments

\$2,463,000	\$3,268,000
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Working capital

\$(7,131,000)	\$(5,561,000)
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Total assets

\$11,854,000	\$10,192,000
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Note payable, bank

\$471,000	\$ —
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Total noncurrent liabilities

\$4,471,000	\$577,000
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Total shareholders' equity (deficit)

\$(9,197,000)	\$(3,298,000)
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