



## ILC Third Quarter 2005 Results

Informatix Laboratories Corp. (ILC), as expected, reported a loss of \$(200,495) on revenue of \$158,403 for the Quarter Ended September 30, 2005. Two significant events resulted in the loss for this quarter. ILC reported last quarter that development funding ended for the Patient Account Management System (PAMS). PAMS development however, continued through the third quarter and will continue for the rest of this fiscal year. This was a conscious decision to invest in and complete the PAMS product for use not only in IHS and Tribal sites but also for use in commercial sites. Also affecting the financial results is that during the quarter, Medsphere notified ILC to stop work on the Billing and Banking Module development. Work was stopped due to contract issues between the customer, the Oklahoma Department of Veterans Affairs, and the prime contractor, Hewlett Packard. One positive area was that for the second consecutive quarter, Technical Services revenue increased. It is expected that forth quarter results will not improve significantly if at all. ILC expects revenues to greatly improve as implementations of PAMS begin during the first quarter of 2006.

### Informatix Laboratories Corporation Income Statement *July through September 2005*

	TOTAL
Ordinary Income/Expense	
Income	
A/R Services	\$ 81,975
Interface Services	46,495
Medsphere	2,200
Product Development Services	338
ILC Tech Services	25,923
Reimbursments	1,472
Total Income	158,403
Cost of Goods Sold	
Labor Costs	197,209
Other Direct Costs	55,916
Total COGS	253,125
Gross Profit	(94,722)
Expense	
General & Administrative	105,388
Total Expense	105,388
Net Ordinary Income	(200,110)
Other Income/Expense	
Other Income	40
Other Expense	425
Net Other Income	(385)
Net Income	\$ (200,495)