

16 February 2009

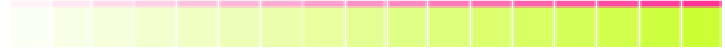
Company Announcements Office  
Attn. Suzanna Dabski  
Australian Stock Exchange Limited  
Level 6, 20 Bridge Street  
Sydney NSW 2000

Dear Ms Dabski

Please find attached Entellect Solutions Limited profit guidance for the second half of FY 2009.

Yours sincerely

Jeff Bennett  
**Chairman**



## **Entellect Solutions (ESN) Profit Guidance for Second Half**

Further to previous guidance and the progress confirmed by Entellect Solutions' recently released first half results, the Directors of Entellect Solutions are pleased to provide additional guidance for the second half.

**The Directors are now able to advise that they anticipate that the company will deliver a profit for this the current half.**

**The Directors are also confident that the combination of these increased sales, ongoing trading improvements and careful management of overheads will provide sufficient funds to meet the ongoing working capital requirements of the group for the foreseeable future.**

The turnaround strategy that the new Directors and management initiated in June 2008 has already resulted in a dramatic improvement in the first half results compared with the previous period – a 417% increase in revenue (from \$0.58M to \$2.99M) and 79% decrease in loss (from \$3.42M to 0.72M). These results exceeded the guidance provided by Directors at the company AGM in November 2008.

**The Directors confirm their previous guidance that this improvement trend will continue into and post the second half of the current fiscal year.**

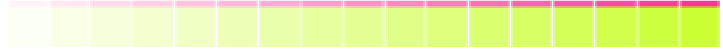
### Improvement Strategy

Management continues to remain focussed on:

- Controlling costs tightly
- Delivering any development to time and to budget
- Aggressively acquiring new sales for each of our product ranges - primarily in Australia
- Developing a sales and business culture within the organisation
- Developing recurring income models that will underpin the long term revenues of the business
- Achieving positive financial outcomes for our shareholders

The ongoing operating costs of our core operations have been reduced by 30% and we have discontinued a number of non viable products and operations. We continue to look for opportunities for further improvements.

We have completed the development of the first release of our core eMinerva Enterprise product and had that product accepted by the Department of Education in Tasmania. We now have a saleable, shippable product for the Enterprise Market - to complement our Higher Education Product.



We have repositioned the existing Higher Education Product and commenced an active marketing plan to the thousands of potential customers in the education industry space.

The Sales and Marketing team has been expanded and strengthened across all product lines: Enterprise and Retail eMinerva™, vSTARS™ and vPublisher™. The team's strong focus on profitable sales has established a solid sales pipeline across a number of markets.

These strategies are designed to achieve the transition of Entellect Solutions' focus away from Research and Development and towards a strong commitment to realising commercial value from its existing products vPublisher™ and eMinerva™ and developing new opportunities in all relevant market sectors. These strategies include:

- The development of the patents and Intellectual Property acquired from ARC Research and Development to produce the leading edge curriculum, reporting and assessment system named vSTARS™. This new product caters to the unmet demand, both locally and internationally, for a simple but effective tool offering comprehensive reporting, assessment and measurement in school communities at every level;
- Maintaining eMinerva™ compliance in respect of Registered Training Organisations' (RTOs) reporting obligations such as HEPCAT and VET Fee Help as well as continuous functionality enhancements to ensure the system retains its position as the premier student management system in Australia;
- Further development and functionality enhancements of vPublisher™ to firmly position this product as a technology leader in the eBook market.

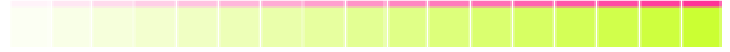
In respect of each of these products we have made solid progress during the past 9 months giving us a sound base from which the group will advance. Achievements during this period include:

- eMinerva™ Enterprise Student Management System has been successfully delivered to Tasmania Department of Education and is currently in the process of undergoing exhaustive trials ahead of full deployment;
- eMinerva™ Enterprise Student Management System has been purchased by Brisbane Catholic Education;
- eMinerva™ Student Management System has been purchased by a number of RTOs, colleges, Higher Educational Providers and training facilities;
- development of the vSTARS™ curriculum, reporting and assessment product is progressing ahead of schedule. An initial enterprise license for vSTARS™ has been acquired by Brisbane Catholic Education;
- vPublisher™ state of the art technology is providing significant market opportunities to establish the product as the market leader in Australia and abroad.

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# entellect solutions



## **About Entellect Solutions Limited**

Entellect Solutions Limited (ASX code: ESN) is a leading provider of online educational business solutions. Its eMinerva Student Management System is used in a wide range of public and private educational organisations in Australia and internationally.

**Visit [www.entellecsolutions.com](http://www.entellecsolutions.com)**

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