



NIGHTINGALE REPORTS RECORD REVENUES FOR THE THIRD FISCAL QUARTER & ACCELERATES ORGANIC GROWTH

19% Quarterly Revenue Growth

Markham, ON, February 8, 2007 - Nightingale Informatix Corporation ("Nightingale" or the "Company") (TSX-V: NGH), a healthcare application service provider (ASP) of Electronic Medical Record (EMR) and practice management solutions, announces its financial results for the three- and nine-month periods ended December 31, 2006.

Q3 Fiscal 2007 Highlights

- Revenue of \$4.2 million, a 19% increase over Q2 2007 and 246% increase over Q3 2006
- Adjusted EBITDA* (as defined at the end of this press release) increased to \$0.05 million from (\$0.66) million in Q2 2007
- Net loss of \$0.35 million compared to net loss of \$1.1 million in Q2 2007 and net loss of \$0.47 million in Q3 2006
- Signed \$3.6 million contract renewal for Medical Records and Data Distribution Services agreement with Kaleida Health for a term of three years
- Announced contract with The Ottawa Hospital Academic Family Health Team to support more than 80 healthcare professionals
- Provided 45 new licenses to physicians in the province of Nova Scotia

"During the quarter, we expanded our user base, achieved record revenue and reached an important milestone by generating positive Adjusted EBITDA," said Sam Chebib, President and CEO of Nightingale. "Our long-term strategy to build the business is focused on increasing the number of physicians and healthcare providers on our technology platform, and we are pursuing this goal through organic and acquisitive growth activities."

Mr. Chebib continued: "Year to date, on an organic basis, we have announced several deals involving sales of new licenses in Canada and the U.S. and have invested in our product suite and in our sales and marketing capabilities. From an acquisition perspective, our goal is to cross-sell our value-add EMR solutions to the acquired user base. With the integration of HealthNet and IHPS now complete, we are beginning to capitalize on such opportunities, and subsequent to quarter-end we announced a 220 EMR license agreement with the Center for Disability Services in Albany, New York, a legacy client of IHPS."

Q3 Fiscal 2007 Operational Review

During the quarter, Nightingale continued to demonstrate growth in its EMR customer base primarily as a result of winning a number of enterprise contracts such as the contract to provide over 80 members of The Ottawa Hospital Academic Family Health Team, signing a contract with the Center for Disability Services in Albany, New York for 220 EMR licenses, and providing 45 new licenses to the province of Nova Scotia.

Within its recently acquired customer base, Nightingale renewed its agreement with Buffalo, New York-based Kaleida Health Systems to provide Medical Records Data Distribution Services for an

additional three-year term. The contract, which is estimated at \$3.6 million U.S., also includes provisions for higher service volumes and additional consulting and implementation fees.

Nightingale continued to execute on the successful roll-out of its large contracts during the quarter, as it completed the second phase of Nova Scotia's Primary Healthcare Information Management program. This included creating a province-wide direct interface between Nova Scotia's labs and Diagnostic Imaging systems and Nightingale's EMR system.

Throughout the quarter, Nightingale worked to strengthen its presence within the U.S. EMR market by adding sales and implementation resources in New York and Alabama.

Q3 Fiscal 2007 Financial Review

Revenue for Q3 2007 was \$4.2 million, a 19% increase over the previous quarter, mainly as a result of higher software sales. Revenue for Q3 2007 increased 246% from \$1.2 million generated in Q3 2006.

For the quarter, Nightingale's gross profit margin of 73%, compares with gross profit margin of 72% in Q2 2007 but is lower than gross profit margin in Q3 2006 of 91%. The year-over-year decrease in gross profit margin reflects the change in the Company's overall revenue mix following the acquisition of IHPS and HealthNet, which generated lower margins from components of its service businesses.

Operating expenses for the quarter were reduced by 5% or \$0.2 million from the previous quarter. The decrease was primarily due to sales and marketing and research and development cost synergies, resulting from Nightingale's successful acquisition integration. The Company incurred total expenses of \$3.4 million, or 81% of revenue, compared to \$3.6 million, or 103% of revenue in Q2 2007. Expenses for the same period of last fiscal year were \$1.6 million, or 133% of revenue.

Driven by improvement in revenues and overall expense control, Adjusted EBITDA* for Q3 2007 was \$0.05 million compared to Adjusted EBITDA of (\$0.66) million for the previous quarter. For the same period in fiscal 2006, Adjusted EBITDA was (\$0.3).million.

Net loss for the three months ended December 31, 2006, was \$0.35 million, or \$0.01 per share, compared with a net loss of \$1.1 million, or \$0.03 per share in Q2 2007. Net loss for Q3 2006 was \$0.47 million, or \$0.02 per share.

Nine Month Financial Review

Revenue for the nine-month period ended December 31, 2006 was \$10.7 million, up 215% from the same fiscal period last year.

Gross profit margin for the nine months ended December 31, 2006 was 69%, compared to a gross profit margin of 89% generated over the same period in fiscal 2006. The lower margin for the period was primarily a result of the change in revenue mix from acquired business and lower margins in the first quarter of fiscal 2007.

Total expenses for the nine months ended December 31, 2006, were \$11.1 million, or 104% of revenue, compared to \$3.9 million, or 116% of revenue, for the same period in fiscal 2006.

Adjusted EBITDA* for the nine-month period ended December 31, 2006 was (\$2) million. For the same period in fiscal 2006, Adjusted EBITDA* was (\$0.5) million.

For the nine months ended December 31, 2006, net loss was \$3.8 million compared to \$0.90 million for the same period in the previous year. The increase in net loss is largely a result of the increase in scale of operations as a result of the two acquisitions.

Strategy and Business Model

Nightingale believes that the window of opportunity for EMR adoption is limited, and therefore a focused effort to gain market share in an accelerated fashion is imperative. In addition, Nightingale believes that the U.S. and Canadian markets for basic business management software for physicians has reached a point of maturity, while the EMR market is only at an adoption rate approximately 15-20%, thus offering a compelling growth opportunity. As such, Nightingale's growth strategy is two-fold, consisting of an organic growth component and an acquisitive growth component. These efforts are focused on increasing the number of physicians and healthcare providers on its proprietary technology platform.

Organic Growth Initiatives:

- Leverage successes in the Canadian market to increase penetration in U.S. enterprise market
- Capitalize on cross-selling opportunities resulting from acquired client base
- Invest in sales and marketing in selected U.S. markets
- Launch enhanced EMR products and applications

Acquisitive Initiative:

- Selectively seek healthcare business management software companies that are accretive and/or provide a captive client base offering cross-selling opportunities and accelerated adoption of Nightingale's clinical products.

Business Model:

Nightingale generates revenues through the delivery of proprietary software and services to physicians and healthcare providers directly, and indirectly through their buying groups, such as hospitals, healthcare associations and government agencies.

Nightingale's revenue model consists of three key components:

1. Traditional licensing fees, including annual support & maintenance fees
2. Utilization fees, i.e. "Software-as-a-Service"
3. Transactional fees for software & services including:
 - Training and implementation services
 - Hardware and ancillary services
 - Data management, transcription and billing services

Nightingale's revenue model has multiple recurring revenue sources, which include data management, transcription and billing services, annual support and maintenance and utilization fees and non-recurring sources, which are primarily license fees.

"In general, physicians and healthcare organizations in Canada and the United States are becoming more aware that technology is the solution to many of the challenges of efficiently and effectively managing patient information," Chebib added. "As a result, the demand for EMR solutions is growing, and our flexible business model and broad product suite have us uniquely positioned to capture a significant portion of this growing market."

To view the full set of financial statements and MD&A for Nightingale, visit <http://www.nightingale.md> or www.sedar.com

** The Company defines Adjusted EBITDA as Net Income/Loss+Interest+Taxes+Depreciation and Amortization+Stock-based Compensation. To better understand the definition and reconciliation to Net Income see 4. Non-GAAP measures in the MD&A for the three- and nine-month periods ended December 31, 2006.*

Notice of Conference Call and Webcast

Nightingale will host a conference call on Thursday, February 8, 2007 at 8:30 a.m. Eastern Daylight Time. To access the conference call by telephone, dial 416-664-3419 or 1-800-731-5774. Please connect approximately fifteen minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay until Thursday February 15, 2007. To access the archived conference call, dial 416-640-1917 or 1-877-289-8525 and enter reference number 21218709#. A live audio webcast of the call will be available at www.newswire.ca and <http://www.nightingale.md>. Please connect to the website at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be necessary. The webcast will be archived for 90 days.

About Nightingale

Nightingale Informatix Corporation is one of North America's fastest growing healthcare application service providers (ASP) for outpatient clinics. Nightingale's Internet-based Electronic Health Record (EHR), Electronic Medical Record (EMR) and practice management solutions are designed to help physicians, clinics, hospitals and other healthcare organizations more efficiently manage their operations and patient records.

Nightingale's products and services offer physicians in United States and Canada leading-edge functionality for clinical documentation, patient scheduling, resource scheduling, billing, transcription, end-to-end coding and claims processing, data management, work flow tools, laboratory interfaces, documentation management and patient portals, along with other real-time services. The company's proprietary offerings of software include myNightingale, Entity and Physician WorkStation, providing physicians with a fully integrated, simple-to-use system that automates daily tasks and creates a single, accessible source of patient data.

For further information, contact:

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Forward Looking Statement

This press release contains "forward-looking statements" within the meaning of applicable Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or

achievements of Nightingale to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: risks related to the speculative nature of the medical software industry, which is affected by numerous factors beyond Nightingale's control; the ability of Nightingale to successfully integrate its acquisitions and any liabilities arising as a result of such acquisitions; the existence of present and possible future government regulation; the significant and increasing competition that exists in the medical software industry; the early stage of Nightingale's business; and therefore it is subject to the risks associated with early stage companies, including uncertainty of revenues, markets and profitability and the need to raise additional funding.

Although Nightingale has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Nightingale does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Further information on Nightingale Informatix Corporation is available at www.sedar.com

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

**CONSOLIDATED BALANCE SHEET (Unaudited)
AS AT DECEMBER 31, 2006**

	As at December 31, 2006	As at March 31, 2006
ASSETS		
Current Assets		
Cash and Cash Equivalents, Note	\$ 2,085,974	\$ 373,691
Accounts Receivable	4,274,320	1,371,981
Investment Tax Credits Receivable	57,830	221,191
Prepaid Expenses	279,814	349,559
	<u>6,697,938</u>	<u>2,316,422</u>
Long Term Assets		
Deferred Costs	195,151	372,062
Other Receivables	-	145,107
Property and Equipment, Note	2,620,078	1,891,530
Intangible Assets	700,325	-
Goodwill	8,611,402	4,796,386
	<u>12,126,956</u>	<u>7,205,085</u>
	<u>\$ 18,824,894</u>	<u>\$ 9,521,507</u>
LIABILITIES		
Current Liabilities		
Line of Credit,	\$ 1,908,606	-
Accounts Payable and Accrued Liabilities	1,916,961	1,808,217
Current Portion of Deferred Revenue	2,137,914	1,159,405
Promissory Note Payable	-	1,000,000
Bank Loan Payable	-	148,782
Current Portion of Capital Lease Obligations	252,341	185,012
	<u>6,215,822</u>	<u>4,301,416</u>
Long Term Liabilities		
Deferred Compensation Payable to Employees	86,565	403,975
Deferred Revenue	1,237,548	1,185,481
Capital Lease Obligations	261,087	206,064
	<u>1,585,200</u>	<u>1,795,520</u>
SHAREHOLDERS' EQUITY		
Capital Stock	18,555,962	9,160,446
Contributed Surplus	970,280	742,503
Warrants	1,807,749	74,235
Deficit	(10,310,119)	(6,552,613)
	<u>11,023,872</u>	<u>3,424,571</u>
Total Liabilities and Shareholders' Equity	<u>\$ 18,824,894</u>	<u>\$ 9,521,507</u>

**CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2006**

	3 months ended December 31, 2006	3 months ended December 31, 2005	9 months ended December 31, 2006	9 months Ended December 31, 2005
Revenue	\$ 4,171,239	\$ 1,204,190	\$ 10,653,227	\$ 3,383,749
Cost of Sales				
Hardware, Software and Services	993,424	76,868	3,105,447	231,877
Sales Commissions	114,153	34,288	225,314	128,890
	<u>1,107,577</u>	<u>111,156</u>	<u>3,330,761</u>	<u>360,767</u>
Gross Profit	<u>3,063,662</u>	<u>1,093,034</u>	<u>7,322,466</u>	<u>3,022,982</u>
Expenses				
General and Administration	778,541	394,789	2,325,512	1,003,965
Sales and Marketing	576,096	467,287	2,164,702	1,155,294
Research and Development	856,463	313,644	2,830,936	751,784
Implementation and Customer Support	805,860	224,122	1,998,365	609,570
Stock Based Compensation	126,264	113,433	506,442	263,226
Interest	57,929	3,101	644,939	9,575
Amortization	214,759	48,232	609,076	133,986
	<u>3,415,912</u>	<u>1,564,608</u>	<u>11,079,972</u>	<u>3,927,400</u>
Net Loss for the Period	<u>(352,250)</u>	<u>(471,574)</u>	<u>(3,757,506)</u>	<u>(904,418)</u>
Net Loss per Common Share, Basic	(0.01)	(0.02)	(0.10)	(0.03)
<i>Weighted Average Number of Common Shares</i>	<i>41,945,189</i>	<i>29,610,930</i>	<i>39,528,391</i>	<i>27,028,639</i>

**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2006**

	3 months ended December 31, 2006	3 months Ended December 31, 2005	9 months ended December 31, 2006	9 months ended December 31, 2005
Cash Flow from Operating Activities				
Net Loss for the Period	\$ (352,250)	\$ (471,574)	\$ (3,757,506)	\$ (904,418)
<i>Adjustments for:</i>				
Amortization	214,759	48,232	609,076	133,986
Stock Based Compensation	126,264	113,433	506,442	263,226
Notional Interest	-	-	431,000	-
	<u>341,023</u>	<u>161,665</u>	<u>1,546,518</u>	<u>397,212</u>
<i>Changes in Non-Cash Working Capital Balances,</i>				
Decrease (Increase) in Accounts Receivable	(1,324,742)	(1,088,116)	(2,902,339)	(466,864)
Decrease (Increase) in Investment Tax Credits Receivable	163,361	(62,500)	163,361	(187,500)
Decrease (Increase) in Prepaid Expenses	87,916	(8,635)	69,745	(91,018)
Decrease (Increase) in Inventory	-	-	-	(88,484)
Decrease (Increase) in Common Share Subscription Receivable	-	-	-	250,000
Decrease (Increase) in Deferred Costs	(48,288)	(20,553)	175,105	(144,284)
Decrease (Increase) in Other Receivables	-	18,796	145,107	18,796
Increase (Decrease) in Accounts Payable and Accrued Liabilities	291,107	26,808	108,744	83,925
Increase (Decrease) in Deferred Compensation Payable	(30,918)	(61,189)	(317,410)	(72,252)
Increase (Decrease) in Deferred Revenue	374,098	558,297	1,030,576	459,646
	<u>(498,695)</u>	<u>(947,001)</u>	<u>(3,738,099)</u>	<u>(745,241)</u>
Increase (Decrease) in Working Capital due to IHPS Acquisition	-	-	(682,404)	-
Cash flows provided from (used in) operating activities	<u>(498,820)</u>	<u>(947,001)</u>	<u>(4,420,503)</u>	<u>(745,241)</u>
Cash Flow from Investing Activities				
Purchase of Property and Equipment	(96,719)	(80,921)	(527,412)	(228,870)
IHPS Acquisition	-	-	(2,990,880)	-
Cash flows provided from (used in) investing activities	<u>(96,719)</u>	<u>(80,921)</u>	<u>(3,518,292)</u>	<u>(228,870)</u>
Cash Flow from Financing Activities				
Increase in Capital Stock	-	3,754	9,424,866	2,416,338
Decrease in Bank Loan Payable	-	(8,931)	(148,782)	(26,794)
Decrease in Due to Shareholders	-	(18,640)	-	(158,640)
Decrease In Notes Payable	(165,944)	-	(1,643,500)	-
Increase in Capital Lease Obligations	(65,613)	-	109,888	-
Increase in Line of Credit	939,682	-	1,908,606	-
Cash flows provided from (used in) financing activities	<u>708,125</u>	<u>(23,817)</u>	<u>9,651,078</u>	<u>2,230,904</u>
Net Increase (Decrease) in Cash	112,711	(1,051,739)	1,712,283	1,256,793
Cash (Bank Indebtedness), Beginning of Period	<u>1,973,263</u>	<u>2,497,414</u>	<u>373,691</u>	<u>188,882</u>
Cash, End of Period	<u>\$ 2,085,974</u>	<u>\$ 1,445,675</u>	<u>\$ 2,085,974</u>	<u>\$ 1,445,675</u>