



NIGHTINGALE REPORTS FISCAL 2007 YEAR END RESULTS

- Company Achieves 234% Revenue Growth -**
- Company provides outlook for fiscal 2008 -**

Markham, ON, July 30, 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-month period and the year ended March 31, 2007. All results are reported in Canadian dollars unless otherwise stated.

Fiscal 2007 Highlights

- Revenue of \$14.1 million, a 234% increase over fiscal 2006
- Adjusted EBITDA* (as defined at the end of this press release) of \$(3.6) million compared to \$(2.1) million in fiscal 2006
- Net loss of \$5.7 million, or \$(0.14) per share, compared to net loss of \$3.0 million, or \$(0.11) per share, in fiscal 2006
- Signed three new EMR and practice management enterprise customer contracts
- Secured additional Nova Scotia license agreements and completed second phase of Nova Scotia's Primary Healthcare Information Management Program
- Signed \$3.6 million contract renewal for Medical Records and Data Distribution with Kaleida Health Systems
- Entered into definitive agreement to acquire VantageMed Corporation, which closed subsequent to year-end
- Completed acquisition and integration of Integrated Healthware Inc. and Physician Strategies LLC (IHPS)
- Completed integration of HealtheNet

"Fiscal 2007 was a transformative year for Nightingale, culminating with the acquisition of VantageMed shortly after our year-end," said Sam Chebib, President and CEO of Nightingale. "The acquisitions of IHPS and HealtheNet provided our initial footprint into the U.S. market, which was further extended when we purchased VantageMed. With an installed base of 18,000 healthcare practitioners spanning 6,000 customer sites, VantageMed provides us with an experienced management team and the opportunity to accelerate our expansion into the U.S. by cross-selling our EMR software. Today we are a much larger company with the right platform in place to maintain a leadership position in Canada and replicate this success in the U.S., and in turn, proceed down a path toward profitability."

VantageMed Acquisition

In Q4 2007, Nightingale entered into a definitive agreement to acquire VantageMed, a supplier of practice management software and services to healthcare providers across the U.S. Subsequent to year-end, on April 19, 2007, Nightingale completed the acquisition of VantageMed, growing its overall customer base to more than 23,000 healthcare practitioners and extending its geographical reach to cover all of North America.

To date, Nightingale has completed two critical phases of the integration process. The Company has put in place a new organizational structure and has launched a fully-integrated EMR and

practice management solution. As a result of the new organizational structure and additional operating efficiencies, Nightingale expects annualized cost synergies will be \$2.4 million.

Since completing the acquisition, Nightingale has signed agreements to license its EMR solution and provide associated support, training and implementation services to VantageMed customers in Altoona, Pennsylvania; Minneapolis, Minnesota; Middlesex, New Jersey and Columbia, South Carolina.

Fiscal 2007 Financial Review

Total revenue for fiscal 2007 increased to \$14.1 million, a 234% increase compared to \$4.2 million in fiscal 2006. In addition to new contract wins, the acquisition and integration of HealtheNet and IHPS drove Nightingale's year-over-year revenue growth by broadening the Company's product offerings to include additional EMR and practice management solutions and related client services, as well as billing and transcription services.

Fiscal 2007 gross profit margin was 69%, compared to 86% in fiscal 2006. The year-over-year decrease in gross profit margin was primarily due to the change in the Company's overall revenue mix following the integration of IHPS and HealtheNet, as the transaction-based service components generated lower margins compared to license software sales.

Total expenses in fiscal 2007 were \$15.4 million, compared to \$6.6 million in fiscal 2006. The increase in year-over-year expenses was driven by the integration of HealtheNet and IHPS, the acquisition of VantageMed, and the investment in the Company's sales and marketing and research and development resources used to support expansion into the U.S. EMR marketplace.

Adjusted EBITDA was \$(3.6) million in fiscal 2007, compared to adjusted EBITDA of \$(2.1) million in fiscal 2006. Adjusted EBITDA decreased year-over-year as higher gross profit was offset by the Company's investment in its infrastructure to support future growth.

For fiscal 2007, net loss was \$(5.8) million, or \$(0.14) per share, compared to \$(3.0) million, or \$(0.11) per share in the previous year. The increase in net loss was a result of the Company's additional investment in the U.S. EMR market and the integration of HealtheNet and IHPS, which grew the overall scale of the Company's operations.

Fourth Quarter Fiscal 2007 Financial Highlights

- Revenue for Q4 2007 was \$3.4 million, compared to \$4.2 million in Q3 2007, and \$0.8 million in Q4 2006
- Q4 2007 gross profit margin was 68%, compared to gross profit margin of 73% in Q3 2007, and gross profit margin of 91% in Q4 2006
- Q4 2007 total expenses were \$4.5 million, compared to \$3.4 million in Q3 2007, and \$2.7 million, in Q4 2006. In Q4 2007, Nightingale continued to increase its investment in sales and marketing personnel and initiatives, and the Company incurred additional expenses related to the VantageMed acquisition
- Adjusted EBITDA for Q4 2007 was \$(1.6) million compared \$0.05 million in Q3 2007, and \$(1.6) million in Q4 2006
- Net loss for Q4 2007, was \$(2.0) million, or \$(0.05) per share, compared with a net loss of \$(0.35) million, or \$(0.01) per share in Q3 2007, and net loss in Q4 2006 of \$(0.47) million, or \$(0.02) per share

Fiscal 2008 Outlook

Nightingale's business has evolved significantly over the past year. With the completion of the VantageMed acquisition, Nightingale is now a much larger company with significant growth opportunities in the EMR market, a strong management team and a solid platform for expansion within the U.S. With their most recently completed fiscal years, Nightingale and VantageMed reported revenue of \$14.1 million and US\$11 million, respectively.

The focus of management is on organic growth and improved financial performance through the achievement of positive adjusted EBITDA and cash from operations throughout the fiscal year. Management has already made many of the organizational changes necessary to drive its annualized forecast of \$2.4 million in cost savings due to synergies as a result of the acquisition of VantageMed. The Company intends to first demonstrate its goal of improved financial performance before continuing to pursue its strategy on further expansion through additional acquisitions.

Nightingale expects that the current fiscal year's recurring revenue, consisting of software support and maintenance, utilization fees, transaction fees, data management, transcription and billing services, will comprise over 60% of total revenue.

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 12-month periods ended March 31, 2007.*

Notice of Conference Call and Webcast

Nightingale will host a conference call on July 30, 2007 at 8:30 a.m. Eastern Daylight Time. To access the conference call by telephone, dial 416-644-3417 or 1-800-732-6179. Please connect approximately fifteen minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay until August 6, 2007. To access the archived conference call, dial 416-640-1917, or 1-877-289-8525 and enter reference number 21241720#. 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 (www.nightingale.md) is one of North America's fastest growing healthcare application service providers (ASP). Nightingale's Internet-based Electronic Health Record (EHR), Electronic Medical Record (EMR) and practice management solutions are designed to help physicians, health centers, 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 Nightingale On-Demand, RidgeMark, Medical Helper, Therapist Helper, Northern Health Anesthesia, Entity and Physician

WorkStation and SecureConnect, providing physicians with fully integrated, simple-to-use systems that automate daily tasks and create 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 Company internally measures its performance and results of initiatives through a number of measures that are not recognized under Canadian generally accepted accounting principles (GAAP) and may not be comparable to similar measures used by other companies. The Company has included an Adjusted EBITDA measurement since it believes that this information would be useful to investors to help evaluate the performance of the Company. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net earnings as determined in accordance with GAAP. For a full definition of items included in Adjusted EBITDA, please refer to the Fiscal 2007 MD&A of the Company.

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

**CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2007**

	March 31, 2007	March 31, 2006
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 1,747,660	\$ 373,691
Accounts Receivable	3,018,767	1,371,981
Other Receivables	79,739	145,107
Investment Tax Credits Receivable,	-	221,191
Prepaid Expenses and Other Assets	265,050	349,559
	<u>5,111,216</u>	<u>2,461,529</u>
Long-Term Assets		
Deferred Costs	626,890	372,062
Property and Equipment	1,352,739	1,119,552
Proprietary Software	1,230,472	771,978
Intangible Assets	1,878,099	-
Goodwill	7,331,853	4,796,386
	<u>12,420,053</u>	<u>7,059,978</u>
	<u>\$ 17,531,269</u>	<u>\$ 9,521,507</u>
LIABILITIES		
Current Liabilities		
Borrowing under Line of Credit	\$ 1,541,733	\$ -
Accounts Payable and Accrued Liabilities	2,770,367	1,808,217
Current Portion of Deferred Revenue	1,829,931	1,159,405
Promissory Note Payable	-	1,000,000
Bank Loan Payable	-	148,782
Current Portion of Capital Lease Obligations	258,586	185,012
	<u>6,400,617</u>	<u>4,301,416</u>
Long Term Liabilities		
Deferred Compensation Payable to Employees	100,824	403,975
Deferred Revenue	1,716,512	1,185,481
Capital Lease Obligations	196,246	206,064
	<u>2,013,582</u>	<u>1,795,520</u>
Total Liabilities	<u>8,414,199</u>	<u>6,096,936</u>
SHAREHOLDERS' EQUITY		
Capital Stock	18,553,953	9,160,446
Contributed Surplus	1,021,217	742,503
Warrants	1,807,749	74,235
Deficit	(12,265,849)	(6,552,613)
	<u>9,117,070</u>	<u>3,424,571</u>
Total Liabilities and Shareholders' Equity	<u>\$ 17,531,269</u>	<u>\$ 9,521,507</u>

**CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2007**

	March 31, 2007	March 31, 2006
Revenue	<u>\$ 14,077,480</u>	<u>\$ 4,213,039</u>
Cost of Sales		
Hardware, Software and Services	4,043,824	498,047
Sales Commissions	<u>381,154</u>	<u>106,697</u>
	<u>4,424,978</u>	<u>604,744</u>
Gross Profit	<u>9,652,502</u>	<u>3,608,295</u>
Expenses		
General and Administration	3,633,934	1,697,174
Sales and Marketing	2,881,932	1,752,040
Research and Development	3,814,413	1,431,825
Implementation and Customer Support	2,908,160	807,368
Stock-Based Compensation	557,860	566,100
Interest	702,177	20,371
Amortization	<u>867,262</u>	<u>333,610</u>
	<u>15,365,738</u>	<u>6,608,488</u>
Loss for the Year	<u>(5,713,236)</u>	<u>(3,000,193)</u>
Loss per Common Share, Basic	<u>(0.14)</u>	<u>(0.11)</u>
Weighted Average Number of Common Shares	<u>40,119,580</u>	<u>27,650,877</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2007**

	March 31, 2007	March 31,r 2006
Cash Flow from Operating Activities		
Loss for the Year	\$ (5,713,236)	\$ (3,000,193)
<i>Adjustments for:</i>		
Amortization	867,262	333,610
Stock-Based Compensation	557,860	566,100
	<u>(4,288,114)</u>	<u>(2,100,483)</u>
<i>Changes in Non-Cash Working Capital Balances:</i>		
Increase in Accounts Receivable	(1,531,313)	(101,043)
Decrease in Investment Tax Credits Receivable	221,191	12,614
Decrease (Increase) in Prepaid Expenses	173,327	(274,969)
Decrease in Common Share Subscription Receivable	-	250,000
Increase in Deferred Costs	(266,667)	(367,242)
Decrease (Increase) in Other Receivables	147,857	(126,311)
Increase in Accounts Payable and Accrued Liabilities	484,613	1,147,418
Decrease in Deferred Compensation Payable	(303,151)	(72,253)
Increase in Deferred Revenue	757,927	612,921
Cash flows used in operating activities	<u>(4,604,330)</u>	<u>(1,019,348)</u>
Cash Flow from Investing Activities		
Purchase of Property and Equipment	(180,913)	(735,022)
Development of Proprietary Software	(205,062)	-
IHPS Acquisition	(2,990,880)	-
HealthNet Acquisition	-	(239,724)
Cash flows used in investing activities	<u>(3,376,855)</u>	<u>(974,746)</u>
Cash Flow from Financing Activities		
Increase in Capital Stock	9,422,375	857,613
Amalgamation of Venquest Capital Ltd.	-	1,515,654
Decrease in Bank Loan Payable	(148,782)	(35,724)
Decrease in Due to Shareholders	-	(158,640)
Proceeds from Subordinated Debt Financing	5,000,000	-
Repayment of Subordinated Debt Financing	(4,569,000)	-
Decrease In Promissory Notes Payable	(1,643,500)	-
Repayment of Capital Lease Obligations	(247,672)	-
Increase in Borrowing under Line of Credit	1,541,733	-
Cash flows used in financing activities	<u>9,355,154</u>	<u>2,178,903</u>
Net Increase in Cash During the Year	1,373,969	184,809
Cash and Cash Equivalents, Beginning of Year	<u>373,691</u>	<u>188,882</u>
Cash and Cash Equivalents, End of Year	<u>\$ 1,747,660</u>	<u>\$ 373,691</u>