



NIGHTINGALE REPORTS FISCAL 2008 THIRD QUARTER RESULTS

In a separate press release issued today, the Company announced the sale of its Therapist Helper business for US\$12.3 million

Markham, ON, February 29, 2008 - Nightingale Informatix Corporation ("Nightingale" or the "Company") (TSX-V: NGH), one of North America's fastest growing healthcare software and services providers, announces its financial results for the three- and nine-month periods ended December 31, 2007. All results are reported in Canadian dollars unless otherwise stated.

In a separate press release issued earlier today, Nightingale announced the US\$12.3 million sale of its Therapist Helper business to Netsmart Technologies, Inc. As a result of this transaction, Nightingale's financial results for the three- and nine-month periods exclude contribution from the Therapist Helper business, and are reported as continuing operations. This transaction materially improves the Company's balance sheet.

Q3 Fiscal 2008 Financial Summary

- Revenue from continuing operations (excluding Therapist Helper business) was \$3.9 million, compared to \$4.2 million in Q3 fiscal 2007.
 - Including contribution from the Therapist Helper business, revenue would have been \$5.1 million in Q3 fiscal 2008.
 - Change in the value of the US dollar is estimated to have negatively affected Q3 fiscal 2008 revenue by approximately 14%, or \$0.5 million, versus the comparable period in fiscal 2007.
- Recurring revenue^{1a} increased to \$3.2 million, or 82% of total revenue, compared to \$2.3 million, or 56% of total revenue, in Q3 fiscal 2007.
- Adjusted EBITDA^{1b} (earnings before interest, taxes, depreciation, amortization and stock based compensation) was \$(1.8) million, compared to adjusted EBITDA of \$(0.01) million in Q3 fiscal 2007.
- Loss from continuing operations was \$3.5 million, or \$(0.05) per share, compared to net loss of \$0.3 million, or \$(0.01) per share, in Q3 fiscal 2007.
- Deferred revenue has increased to \$5.6 million at December 31, 2007, compared to \$3.5 million at March 31, 2007.
- Upon completion of the sale of the Therapist Helper business, Nightingale will strengthen its balance sheet by adding to its cash balance and paying down a portion of its debt.

"Operationally, in Q3 we achieved a significant milestone with our OntarioMD contract win; however, our financial performance in the quarter fell below our expectations," said Sam Chebib, President & CEO Nightingale Informatix Corporation. "Overall, results were affected by a delay in funding initiatives in certain jurisdictions, which impacted software license sales, and the negative year-over-year fluctuation in foreign exchange rates. In addition, our contract with OntarioMD had an impact on our Q3 revenue from the province of Ontario because many potential clients are delaying their purchase decision until we have

completed the certification process. We expect these deferred sales opportunities to materialize in future periods and look forward to strong contribution from OntarioMD in fiscal 2009.”

Mr. Chebib continued: “Looking forward, while Q3 was a challenging quarter, we believe we have established an operating platform and strong market position with the right technology, strategy and personnel to drive growth over the long-term. Through our OntarioMD contract win and, more recently, the agreement with the Medical Society of the State of New York, we are steadily building our pipeline, and we have demonstrated our ability to win sizable and highly competitive EMR mandates across North America. With the changes we made to our sales team subsequent to quarter-end, we believe we are now better positioned to address the unique needs of the U.S. and Canadian healthcare industries, convert our pipeline of opportunities into sales and grow the number of healthcare practitioners on our EMR platform.”

Recent Operational Highlights

- Signed a 15-year contract with OntarioMD to be one of three funding approved ASP EMR providers. Currently, there is total funding of \$28,600 per physician for 2,700 of Ontario’s 22,000 physicians, with additional funding expected to become available.
- Signed a three-year US\$3.1 million revenue cycle management agreement with Baltimore, Maryland-based Harbor Hospital.
- Appointed Michael Ford as Chief Financial Officer and Nick Vaney as VP, Operations and Chief Strategy Officer.
- Subsequent to quarter end, announced additional annual cost-saving synergies of approximately \$1.6 million, resulting from the VantageMed acquisition and the creation of a streamlined and geographically focused sales team.
- Subsequent to quarter end, signed a three-year agreement with the Medical Society of the State of New York (MSSNY) to be one of three preferred ASP EMR providers for MSSNY’s 30,000 members.

Q3 and Year-to-date Fiscal 2008 Financial Review

As previously stated, all financial results for the three- and nine-month periods ended December 31, 2007, are reported as continuing operations.

Revenue from continuing operations for Q3 fiscal 2008 was \$3.9 million, compared to revenue of \$4.2 million in Q3 fiscal 2007. The year-over-year decline was a result of lower software license sales during the quarter, the negative impact of the fluctuation in foreign exchange rates and timing of revenue recognition associated with the Company’s Harbor Hospital contract, as Nightingale commenced work during the quarter, but did not record any corresponding revenue. For the year-to-date period, revenue from continuing operations was \$14.7 million, a 39% increase over the corresponding period in fiscal 2007.

Recurring revenue, consisting of software support and maintenance, utilization fees, transaction fees, data management, transcription and billing services, was \$3.2 million, or approximately 82% of total revenue, for Q3 fiscal 2008. For the year-to-date period, recurring revenue was \$9.8 million or 67% of total revenue.

In Q3 fiscal 2008, Nightingale generated approximately 78% of its revenue in the U.S. As such, the Company estimates that revenue was negatively affected by U.S. currency fluctuations relative to the Canadian dollar by a difference of approximately 14%, or \$0.5 million. Nightingale generates 51% of its expenses (including costs of goods sold) in the U.S., providing the Company with a natural hedge

position. However, going forward, Nightingale expects to generate an increasing percentage of revenue in the U.S. and will therefore continue to be susceptible to currency exchange fluctuations over the coming quarters.

In Q3 fiscal 2008, gross profit margin decreased to 67%, compared to 73% in Q3 fiscal 2007, primarily as a result of a reduction in higher margin software sales during the quarter. For the year-to-date period, gross profit margin was 73%, up from 69% for the same period last year.

Nightingale generated adjusted EBITDA of \$(1.8) million in Q3 fiscal 2008, compared to adjusted EBITDA of \$(0.01) million in Q3 fiscal 2007. The year-over-year decrease in adjusted EBITDA was due to a combination of factors, which included: lower software sales, a negative impact from the reduction in value of the US dollar relative to the Canadian dollar, the timing of revenue recognition associated with the Company's Harbor Hospital contract and increased investment in infrastructure to support future growth. For the year-to-date period, Nightingale generated adjusted EBITDA of \$(2.3) million, compared to adjusted EBITDA of \$(2.2) million for the same period in fiscal 2007.

Loss from continuing operations was \$3.5 million, or \$(0.05) per share, compared to a net loss of \$0.3 million or \$(0.01) per share in Q3 fiscal 2007. For the year-to-date period, loss from continuing operations was \$7.2 million, or \$(0.11) per share, compared to a net loss of \$3.8 million, or \$(0.10) per share for the same period last year.

A full set of financial statements and MD&A will be available at <http://www.nightingale.md> and www.sedar.com.

¹Non-GAAP Financial Measures

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.

a. Recurring and Non-Recurring Revenue

The Company has included recurring revenue and non-recurring revenue measurements since it believes that this information would be useful to investors to help evaluate its performance. Investors should be cautioned, however, that recurring revenue and non-recurring revenue should not be construed as an alternative to revenue as determined in accordance with GAAP.

b. Adjusted EBITDA

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. The Company's method of calculating adjusted EBITDA may differ from the methods used by other companies and, accordingly, it may not be comparable to similarly titled measures used by other companies.

Adjusted EBITDA is a non-GAAP measure that management believes is a useful supplemental measure of operating performance prior to other loss (income), interest, income taxes, depreciation, amortization, and stock-based compensation. Management believes it is useful to exclude these items as they are either non-cash expenses, items that cannot be influenced by management in the short term, or items that do not impact core operating performance, and Management uses this information internally for forecasting and budgeting purposes.

The following provides a reconciliation of Adjusted EBITDA to Net Income/ Loss:

Name	Definition	Fiscal Quarter Ended December 31, 2007	Fiscal Quarter Ended December 31, 2006	Nine Months Ended December 31, 2007	Nine Months Ended December 31, 2006
Adjusted EBITDA	Net Income (Loss)	\$(3,536,270)	\$(352,250)	\$(7,233,615)	\$(3,757,506)
	<i>Adjustments for:</i>				
	Other Loss (Income)	16,646	-40,858	169,649	-157,721
	Interest	719,569	40,511	1,868,387	594,108
	Depreciation and Amortization	759,768	214,759	2,345,364	609,076
	Stock-based Compensation	241,111	126,264	512,078	506,442
	Adjusted EBITDA (Loss)	\$(1,799,176)	\$(11,574)	\$(2,338,137)	\$(2,205,601)

Notice of Conference Call and Webcast

Nightingale will host a conference call Monday March 3, 2008, at 8:30 a.m. Eastern Standard Time. To access the conference call by telephone, dial 416-644-3422 or 1-800-731-5319. Please connect approximately fifteen minutes prior to the beginning of the call to ensure participation. The conference call will be archived for replay until March 10, 2008. To access the archived conference call, dial 416-640-1917 or 1-877-289-8525 and enter reference number 21262891#.

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 365 days.

About Nightingale

Nightingale is one of the fastest growing health care service and software companies in North America with over 4.7 million patient records under management in a hosted (ASP) environment. It is recognized as an industry leader in Web-based clinician and community based electronic medical records (EMR) serving the needs of small primary care practices, multi-physician outpatient clinics, and large scale regional health organizations and networks. Coupled with integrated practice management, transcription and revenue cycle management, Nightingale's comprehensive service offering allows customers to enhance patient care, increase revenue opportunities and optimize operations. Nightingale is continuously innovating and enhancing its services to meet the needs of its growing and diverse customer base. Nightingale – Healthcare connected. www.nightingale.md

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

**INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2007
(unaudited)**

	3 months ending December 31, 2007	3 months ended December 31, 2006	9 months ending December 31, 2007	9 months ended December 31, 2006
Revenue	\$ 3,942,345	\$ 4,153,822	\$ 14,697,495	\$ 10,602,396
Cost of Sales				
Hardware, Software and Services	1,153,172	993,424	3,539,111	3,105,447
Sales Commissions	129,397	114,153	430,633	225,314
	<u>1,282,569</u>	<u>1,107,577</u>	<u>3,969,744</u>	<u>3,330,761</u>
Gross Profit	<u>2,659,776</u>	<u>3,046,245</u>	<u>10,727,751</u>	<u>7,271,635</u>
Expenses				
General and Administration	950,784	819,399	2,754,353	2,483,233
Sales and Marketing	859,273	576,096	2,494,365	2,164,702
Research and Development	1,221,594	856,463	3,584,011	2,830,936
Client Services	1,427,293	805,861	4,233,159	1,998,365
Stock Based Compensation	241,111	126,264	512,078	506,442
Depreciation and Amortization	759,769	214,759	2,345,364	609,076
	<u>5,459,824</u>	<u>3,398,842</u>	<u>15,923,330</u>	<u>10,592,754</u>
Operating Loss for the Period	<u>(2,800,048)</u>	<u>(352,597)</u>	<u>(5,195,579)</u>	<u>(3,321,119)</u>
Interest	719,569	40,511	1,868,387	594,108
Other Loss (Income)	16,646	(40,858)	169,649	(157,721)
Loss from Continuing Operations	(3,536,263)	(352,250)	(7,233,615)	(3,757,506)
Earnings from discontinued operations	245,523	-	795,087	-
Net Loss and Comprehensive Loss for the Period	<u><u>\$(3,290,740)</u></u>	<u><u>\$(352,250)</u></u>	<u><u>\$(6,438,528)</u></u>	<u><u>\$(3,757,506)</u></u>
Basic and Diluted Earnings (Loss) per Common Share				
Loss from Continuing Operations	\$(0.05)	\$(0.01)	\$(0.11)	\$(0.10)
Earnings from Discontinued Operations	0.00	-	0.01	-
Net Loss per Common Share	<u><u>\$(0.05)</u></u>	<u><u>\$(0.01)</u></u>	<u><u>\$(0.10)</u></u>	<u><u>\$(0.10)</u></u>
Weighted Average Number of Common Shares	<u>66,914,490</u>	<u>41,945,189</u>	<u>65,733,398</u>	<u>39,528,391</u>

**INTERIM CONSOLIDATED BALANCE SHEET
(unaudited)**

	As at December 31, 2007	As at March 31, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 3,749,522	\$ 1,747,660
Accounts Receivable	2,981,901	3,018,767
Other Receivables	-	79,739
Inventory	82,616	7,893
Prepaid Expenses	695,401	257,157
Assets of Discontinued Operations	10,908,666	-
	<u>18,418,106</u>	<u>5,111,216</u>
Long-Term Assets		
Deferred Costs	184,262	626,890
Property and Equipment	1,561,928	1,352,739
Proprietary Software	934,549	1,230,472
Intangible Assets	7,782,962	1,878,099
Goodwill	7,375,691	7,331,853
	<u>17,839,392</u>	<u>12,420,053</u>
	<u>\$ 36,257,498</u>	<u>\$ 17,531,269</u>
LIABILITIES		
Current Liabilities		
Borrowing under Line of Credit	\$ 1,000,000	\$ 1,541,733
Accounts Payable and Accrued Liabilities	3,665,781	2,770,367
Current Portion of Deferred Revenue	4,328,848	1,829,931
Current Portion of Capital Lease Obligations	239,183	258,586
Liabilities of Discontinued Operations	1,398,257	-
	<u>10,632,069</u>	<u>6,400,617</u>
Long Term Liabilities		
Subordinated Debt	10,538,885	-
Deferred Compensation Payable to Employees	-	100,824
Deferred Revenue	1,263,007	1,716,512
Capital Lease Obligations	295,343	196,246
	<u>12,097,235</u>	<u>2,013,582</u>
Total Liabilities	<u>22,729,304</u>	<u>8,414,199</u>
SHAREHOLDERS' EQUITY		
Capital Stock	27,521,485	18,553,953
Contributed Surplus	1,434,075	1,021,217
Warrants	3,277,011	1,807,749
Deficit	(18,704,377)	(12,265,849)
	<u>13,528,194</u>	<u>9,117,070</u>
Total Liabilities and Shareholders' Equity	<u>\$ 36,257,498</u>	<u>\$ 17,531,269</u>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED DECEMBER 31, 2007
(unaudited)**

	3 months ending December 31, 2007	3 months ended December 31, 2006	9 months ending December 31, 2007	9 months ended December 31, 2006
Cash Flow from Operating Activities				
Loss from continuing operations	\$(3,536,263)	\$(352,250)	\$(7,233,615)	\$(3,757,506)
<i>Adjustments for:</i>				
Depreciation and Amortization	759,769	214,758	2,345,364	609,077
Gain on Sale of Assets	(22,130)	-	(22,130)	-
Stock Based Compensation	241,111	126,264	512,078	506,442
Interest Accretion	222,899	-	616,612	-
	<u>(2,334,614)</u>	<u>(11,228)</u>	<u>(3,781,691)</u>	<u>(2,641,987)</u>
<i>Changes in Non-Cash Working Capital Balances,</i>				
Decrease (Increase) in Accounts Receivable	1,562,223	(1,324,742)	814,470	(2,764,857)
Decrease (Increase) in Investment Tax Credits Receivable	-	163,361	-	163,361
Decrease (Increase) in Prepaid Expenses	57,004	87,916	(251,729)	158,562
Decrease (Increase) in Inventory	33,174	-	(45,892)	-
Decrease (Increase) in Deferred Costs	21,707	(48,288)	425,218	175,104
Decrease (Increase) in Other Receivables	-	-	79,739	145,107
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(650,358)	290,980	(1,474,300)	(356,329)
Increase (Decrease) in Deferred Compensation Payable	-	(30,918)	(100,824)	(317,411)
Increase (Decrease) in Deferred Revenue	(59,584)	374,098	71,540	586,946
Cash flows provided by (used in) operating activities	<u>(1,370,448)</u>	<u>(498,821)</u>	<u>(4,263,469)</u>	<u>(4,851,504)</u>
Cash Flow from Investing Activities				
Purchase of Property and Equipment	(78,315)	(96,719)	(531,999)	(527,411)
IHPS Acquisition	-	-	-	(2,990,880)
VantageMed Acquisition	-	-	(13,533,087)	-
Cash flows provided from (used in) investing activities	<u>(78,315)</u>	<u>(96,719)</u>	<u>(14,065,086)</u>	<u>(3,518,291)</u>
Cash Flow from Financing Activities				
Increase in Capital Stock	-	-	8,741,932	9,424,866
Decrease in Bank Loan Payable	-	-	-	(148,782)
Proceeds from Subordinated Debt Financing	-	-	11,089,812	5,000,000
Repayment of Subordinated Debt Financing	-	-	-	(4,569,000)
Decrease In Promissory Notes Payable	-	(165,944)	-	(1,643,500)
Increase (Decrease) in Capital Lease Obligations	192,438	(65,613)	35,352	109,888
Increase (Decrease) in Borrowing under Line of Credit	1,000,000	939,683	(541,733)	1,908,606
Cash flows used in financing activities	<u>1,192,438</u>	<u>708,126</u>	<u>19,325,363</u>	<u>10,082,078</u>
Net Increase (Decrease) in Cash From Continuing Operations	(256,325)	112,586	996,808	1,712,283
Net Increase in Cash From Discontinued Operations	348,199	-	1,005,054	-
Net Increase in Cash During the Period	91,874	112,586	2,001,862	1,712,283
Cash and Cash Equivalents, Beginning of Period	<u>3,657,648</u>	<u>1,973,388</u>	<u>1,747,660</u>	<u>373,691</u>
Cash and Cash Equivalents, End of Period	\$ 3,749,522	\$ 2,085,974	\$ 3,749,522	\$ 2,085,974