



NIGHTINGALE REPORTS FISCAL 2008 RESULTS

Markham, ON, July 29, 2008 - Nightingale Informatix Corporation ("Nightingale" or the "Company") (TSX-V: NGH), an application service provider (ASP) of electronic medical record (EMR) software and related services with more than 5.3 million patient records under management, announces its financial results for the three- and 12-month periods ended March 31, 2008. All results are reported in Canadian dollars unless otherwise stated.

Q4 and Fiscal 2008 Highlights

- Completed US\$13.0 million acquisition of VantageMed Corporation in Q1 and in Q4, sold Therapist Helper (one of four VantageMed business units) for net proceeds of US\$11.0 million. The performance of this division is reported as discontinued operations and accordingly reduced fiscal 2008 reported revenue and net income by \$4.2 million and \$0.5 million, respectively, and reduced Q4 fiscal 2008 reported revenue and net income by \$0.7 million and \$0.09 million, respectively
- Revenue from continuing operations for fiscal 2008 was \$18.9 million, compared to \$14.0 million in fiscal 2007. The change in the U.S. dollar negatively affected revenue for fiscal 2008 by 9%, or \$1.4 million.
- Revenue for Q4 fiscal 2008 was \$4.2 million, compared to \$3.4 million in Q4 fiscal 2007. The change in the U.S. dollar negatively affected Q4 revenue for fiscal 2008 by 14%, or \$0.5 million
- Recurring Revenue for fiscal 2008 was \$13.1 million, compared to \$9.8 million in fiscal 2007, and Recurring Revenue for Q4 fiscal 2008 was \$3.2 million, compared to \$2.5 million in Q4 fiscal 2007.
- Grew number of healthcare practitioners on technology platform to 13,000 from 5,000 in 2007.
- Increased number of patient records under management on Company's ASP EMR to 5.3 million from 2.5 million in 2007.
- Secured a 15-year contract with OntarioMD to be one of three funding approved ASP EMR providers in Ontario. Subsequent to year-end, completed the OntarioMD certification process, enabling eligible primary care physicians across Ontario to receive funding when implementing Nightingale's hosted EMR solution.
- Won a three-year US\$3.1 million revenue cycle management agreement with Baltimore, Maryland-based Harbor Hospital.
- 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.

"Through a combination of acquisitive and organic growth initiatives, in fiscal 2008 we grew the base of healthcare practitioners and patients on our technology platform, expanded our geographic footprint throughout North America, and strengthened our team to better address the unique needs of the Canadian and U.S. healthcare markets," said Sam Chebib, President & CEO Nightingale Informatix Corporation. "In terms of revenue and profitability, we experienced some downward pressure on our reported operating results for the year due in part to the divestiture of our Therapist Helper business.

However, this sale generated approximately \$10 million in cash in the current year, enabling us to reduce our long-term debt by almost 50 percent and add cash resources to the balance sheet.”

“We enter fiscal 2009 focused on improved financial performance, in particular achieving positive cash flow and expanding our base of recurring revenue. We intend to drive growth by increasing the number of healthcare practitioners on our technology platform, cross-selling our products and services to our existing customers and capitalizing on our patient base by launching patient-centric products. Furthermore, as we received OntarioMD certification earlier this month, our team is now working to convert our pipeline of opportunities into sales, which we expect to materialize in the upcoming quarters.”

Q4 and Fiscal 2008 Financial Review

As a result of Nightingale’s sale of Therapist Helper, all financial results for the three- and 12-month periods ended March 31, 2008, are reported on a continuing operations basis.

Revenue from continuing operations for fiscal 2008 increased 35% to \$18.9 million, compared to revenue of \$14.0 million in fiscal 2007. The year-over-year improvement primarily reflects incremental revenue from the acquired VantageMed business and increased professional services revenue, which were partially offset by the negative impact of the fluctuation in foreign exchange and a decrease in data management and transcription revenue. For Q4 fiscal 2008, revenue from continuing operations was \$4.2 million, a 23% increase over revenue of \$3.4 million in Q4 fiscal 2007.

Recurring revenue, consisting of support and maintenance, utilization and transaction fees, transcription and billing services, increased \$3.3 million, or 33%, to \$13.1 million, or approximately 69% of total revenue, for fiscal 2008. This is compared to recurring revenue of \$9.8 million, or 70% of total revenue, for fiscal 2007. Recurring revenue for Q4 fiscal 2008 increased to \$3.2 million, or 78% of total revenue, compared to \$2.5 million, or 74% of total revenue, in Q4 fiscal 2007.

During 2008, Nightingale generated approximately 69% 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 9%, or \$1.4 million. In Q4 fiscal 2008, Nightingale generated approximately 75% of its revenue in the U.S. and estimates that revenue was negatively affected by a difference of approximately 14%, or \$0.5 million. Nightingale generates approximately 50% of its expenses (including costs of goods sold) in the U.S., providing the Company with a natural hedge position. The Company expects to continue to be susceptible to currency exchange fluctuations.

In fiscal 2008, gross profit margin increased to 73% from 68% in fiscal 2007, primarily as a result of an increase in higher-margin software sales. Gross profit margin for Q4 fiscal 2008 was 71%, up from gross profit margin of 68% in Q4 fiscal 2007.

Nightingale generated an EBITDA loss of \$3.5 million in fiscal 2008, compared to an EBITDA loss of \$3.8 million in fiscal 2007. For Q4 fiscal 2008, Nightingale generated an EBITDA loss of \$1.2 million, compared to an EBITDA loss of \$1.6 million for the same period in fiscal 2007.

Loss from continuing operations was \$14.3 million, or \$(0.22) per share, in fiscal 2008, compared to a net loss of \$5.7 million, or \$(0.14) per share, in fiscal 2007. The year-over-year increase is primarily a result of lower data management and transcription revenue, increased amortization of intangible assets associated with the acquisition of VantageMed and increased interest expenses related to the Company’s long-term debt. With the sale of Therapist Helper, Nightingale also incurred a \$4.6 million tax expense comprised of a \$3.3 million non-cash income tax expense relating to the expected realization of previously unrecognized tax losses acquired on the acquisition of VantageMed, a \$0.9 million current

income tax provision and a \$0.4 million tax provision related to estimated withholding taxes. Combined, these factors contributed approximately \$10.0 million to the Company's loss from continuing operations for fiscal 2008. For Q4 fiscal 2008, loss from continuing operations was \$7.3 million, or \$(0.11) per share, compared to a net loss of \$2.0 million, or \$(0.05) per share, for Q4 fiscal 2007.

Cash and cash equivalents increased \$3.3 million to \$5.0 million at March 31, 2008, from \$1.7 million at March 31, 2007.

At March 31, 2008, total shares issued and outstanding were 67,478,540.

The financial statements and MD&A will be available at <http://www.nightingale.md> and filed on www.sedar.com on July 29, 2008. This press release should be read in conjunction with Nightingale's Consolidated Financial Statements for the fiscal year ended March 31, 2008 and the accompanying Management Discussion and Analysis.

Non-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 is useful to investors to 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. EBITDA

EBITDA is a non-GAAP measure that management believes is a useful measurement to evaluate the performance of the Company. Investors should be cautioned, however, that EBITDA should not be construed as an alternative to net earnings as determined in accordance with GAAP. The Company's method of calculating 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.

EBITDA is defined as earnings before 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 EBITDA to Net Loss calculated in accordance with GAAP:

Definition	Fiscal Quarter Ended March 31, 2008	Fiscal Quarter Ended March 31, 2007	Year Ended March 31, 2008	Year Ended March 31, 2007
Loss and Comprehensive Loss	\$ (6,273)	\$ (1,956)	\$ (12,811)	\$ (5,713)
<i>Adjustments for:</i>				
Gain on Sale of Discontinued Operations	\$ (977)	\$ -	\$ (977)	\$ -
Earnings from Discontinued Operations	(92)	-	(501)	-
Current Tax Expense	1,299	-	1,299	-
Future Tax Expense	3,300	-	3,300	-
Other Loss (Income)	(26)	(34)	144	(192)
Interest	1008	46	3,297	639
Depreciation and Amortization	552	257	2,190	867
Stock-based Compensation	23	52	535	558
EBITDA	\$ (1,186)	\$ (1,635)	\$ (3,524)	\$ (3,841)

Notice of Conference Call and Webcast

Nightingale will host a conference call on Tuesday July 29, 2008 at 8:30 a.m. Eastern Standard Time. To access the conference call by telephone, dial 416-644-3426 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 Monday, August 5, 2008. To access the archived conference call, dial 416-640-1917 or 1-877-289-8525 and enter reference 21279023#. 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 healthcare service and software companies in North America with over 5.3 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 capital.

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 has not reviewed and does not accept responsibility for the adequacy or accuracy of this release

**CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED MARCH 31, 2008**

	Year Ended March 31, 2008	Year Ended March 31, 2007
Revenue	\$ 18,875,556	\$ 14,014,108
Cost of Sales		
Hardware, Software and Services	4,661,951	4,043,824
Sales Commissions	507,267	381,154
	<u>5,169,218</u>	<u>4,424,978</u>
Gross Profit	<u>13,706,338</u>	<u>9,589,130</u>
Expenses		
General and Administration	3,773,404	3,826,080
Sales and Marketing	3,191,495	2,881,932
Research and Development	4,611,547	3,814,413
Client Services	5,655,493	2,908,160
Stock Based Compensation	534,992	557,860
Depreciation and Amortization	2,189,583	867,262
	<u>19,956,514</u>	<u>14,855,707</u>
Operating Loss	<u>(6,250,176)</u>	<u>(5,266,577)</u>
Interest	3,296,684	638,807
Foreign Currency Loss (Gain)	143,956	(192,148)
	<u>3,440,640</u>	<u>446,659</u>
Loss from Continuing Operations Before Tax	(9,690,816)	(5,713,236)
Current Tax Expense	1,298,811	-
Future Tax Expense	3,299,857	-
	<u>4,598,668</u>	<u>-</u>
Loss from Continuing Operations	(14,289,484)	(5,713,236)
Earnings from Discontinued Operations	501,113	-
Gain on Sale of Discontinued Operations	976,944	-
	<u>1,478,057</u>	<u>-</u>
Loss and Comprehensive Loss	<u>\$ (12,811,427)</u>	<u>\$ (5,713,236)</u>
Basic and Diluted (Loss per Common Share)		
Loss from Continuing Operations	(0.22)	(0.14)
Earnings from Discontinued Operations – Basic and Diluted	0.01	-
Gain on Sale of Discontinued Operations	0.01	-
Loss and Comprehensive Loss per Common Share	<u>(0.19)</u>	<u>(0.14)</u>
Weighted Average Number of Common Shares – Basic and Diluted	<u>66,227,558</u>	<u>40,119,580</u>

**CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2008**

	As at March 31, 2008	As at March 31, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 5,033,746	\$ 1,747,660
Accounts Receivable	3,151,582	3,018,767
Other Receivables	1,034,721	79,739
Inventory	168,948	7,893
Prepaid Expenses	649,207	257,157
	<u>10,038,204</u>	<u>5,111,216</u>
Long-Term Assets		
Deferred Costs	201,940	626,890
Property and Equipment	1,722,276	1,352,739
Intangible Assets	7,336,804	3,108,571
Goodwill	4,692,399	7,331,853
	<u>13,953,419</u>	<u>12,420,053</u>
Total Assets	<u><u>\$ 23,991,623</u></u>	<u><u>\$ 17,531,269</u></u>
LIABILITIES		
Current Liabilities		
Borrowing under Line of Credit	\$ -	\$ 1,541,733
Accounts Payable and Accrued Liabilities	5,384,530	2,770,367
Current Portion of Deferred Revenue	4,199,690	1,829,931
Current Portion of Capital Lease Obligations	278,658	258,586
	<u>9,862,878</u>	<u>6,400,617</u>
Long Term Liabilities		
Subordinated Debt	5,295,648	-
Deferred Compensation Payable to Employees	-	100,824
Deferred Revenue	1,214,110	1,716,512
Capital Lease Obligations	438,682	196,246
	<u>6,948,440</u>	<u>2,013,582</u>
Total Liabilities	<u>16,811,318</u>	<u>8,414,199</u>
SHAREHOLDERS' EQUITY		
Capital Stock	27,521,485	18,553,953
Contributed Surplus	1,459,085	1,021,217
Warrants	3,277,011	1,807,749
Deficit	(25,077,276)	(12,265,849)
	<u>7,180,305</u>	<u>9,117,070</u>
Total Liabilities and Shareholders' Equity	<u><u>\$ 23,991,623</u></u>	<u><u>\$ 17,531,269</u></u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2008**

	Year Ended March 31, 2008	Year Ended March 31, 2007
Cash Flow from Operating Activities		
Loss from continuing operations	\$ (14,289,484)	\$ (5,713,236)
<i>Adjustments for:</i>		
Depreciation and Amortization	2,189,583	867,262
Amortization of Transaction Costs Related to Debt Financing	536,398	-
Gain on Sale of Assets	(22,130)	-
Stock Based Compensation	534,992	557,860
Future Tax Expense	3,299,857	-
Unrealized Foreign Exchange Gain	(83,813)	(34,735)
Interest Accretion	1,138,700	-
	<u>(6,695,897)</u>	<u>(4,322,849)</u>
<i>Changes in Non-Cash Working Capital Balances</i>		
Accounts Receivable	500,593	(1,503,360)
Investment Tax Credits Receivable	-	221,191
Prepaid Expenses	(195,044)	173,327
Inventory	(132,224)	-
Deferred Costs	424,950	(266,667)
Other Receivables	(929,806)	147,820
Accounts Payable and Accrued Liabilities	326,993	607,230
Deferred Compensation Payable	(100,824)	(303,151)
Deferred Revenue	(71,523)	757,927
Cash flows used in operating activities	<u>(6,872,782)</u>	<u>(4,488,532)</u>
Cash Flow from Investing Activities		
Purchase of Property and Equipment	(368,671)	(10,349)
Investment in Development of Proprietary Software	-	(205,062)
Sale of Helper Division,	10,810,873	-
IHPS Acquisition	-	(2,990,880)
VantageMed Acquisition	(13,533,087)	-
Cash flows used in investing activities	<u>(3,090,885)</u>	<u>(3,206,291)</u>
Cash Flow from Financing Activities		
Increase in Capital Stock	8,741,932	9,422,375
Payments on Bank Loan	-	(148,782)
Proceeds from Subordinated Debt Financing	11,089,812	5,000,000
Repayment of Subordinated Debt Financing	(6,000,000)	(4,569,000)
Repayment of Promissory Notes Payable	-	(1,643,500)
Repayment of Capital Lease Obligations	(297,961)	(534,034)
Increase (Decrease) in Borrowing under Line of Credit	(1,541,733)	1,541,733
Cash flows provided by financing activities	<u>11,992,050</u>	<u>9,068,792</u>
Foreign Exchange Gains(Losses) on Cash Held in Foreign Currency	(227,769)	157,413
Net Increase in Cash From Continuing Operations	2,256,152	1,216,556
Net Increase in Cash From Discontinued Operations	1,257,703	-
Net Increase in Cash During the Period	3,286,086	1,373,969
Cash and Cash Equivalents, Beginning of Period	<u>1,747,660</u>	<u>373,691</u>
Cash and Cash Equivalents, End of Period	\$ 5,033,746	\$ 1,747,660
Non-cash investing and financing activities:		
Acquisition of property and equipment under capital lease	\$ 520,128	\$ 170,564
Supplemental cash flow information:		
Interest paid	\$ 1,734,905	\$ 271,179
Income taxes paid	\$ -	\$ -

