



NIGHTINGALE REPORTS FISCAL 2008 FIRST QUARTER RESULTS

- Company delivers positive adjusted EBITDA in Q1 -

Markham, ON, August 16, 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 software solutions, announces its financial results for the three-month period ended June 30, 2007. All results are reported in Canadian dollars unless otherwise stated.

Q1 Fiscal 2008 Highlights

- Revenue of \$6.1 million, a 105% increase from \$3.0 million in Q1 fiscal 2007.
- Recurring revenue was \$4.0 million, or 65% of total revenue.
- Adjusted EBITDA¹ was \$0.1 million, a \$1.6 million improvement from Q1 fiscal 2007.
- Net loss decreased to \$1.8 million, or \$(0.02) per share, compared to net loss of \$2.3 million, or \$(0.07) per share, in Q1 fiscal 2007.
- Completed the VantageMed acquisition; restructured operations to capitalize on expected cost synergies of \$2.4 million annually.
- Signed five new EMR and practice management enterprise customer contracts.
- Named one of North America's Top 100 Healthcare Information Technology Companies by *Healthcare Informatics* magazine.

"With the VantageMed acquisition completed, we will focus on leveraging our platform to generate organic growth in both the U.S. and Canada, achieve sustainable positive adjusted EBITDA with expanding margins, and establish a clear path toward profitability," said Sam Chebib, President and CEO of Nightingale. "We are pleased with our progress in Q1. We expect results for the remainder of the year to strengthen as we continue to bring in new business from both sides of the border. In addition, we expect financial performance to further improve in the coming quarters as our Q1 results only reflect two months of revenue contribution from the VantageMed business and one month of the cost saving synergies derived from the purchase."

Q1 Fiscal 2008 Financial Review

Total revenue for Q1 fiscal 2008 increased to \$6.1 million, a 105% increase compared to \$3.0 million in Q1 fiscal 2007. The increase was driven by a combination of organic growth in the Nightingale business and approximately two months of revenue contribution from the acquired VantageMed operations. Nightingale generated approximately 70% of Q1 fiscal 2008 revenue in the U.S. As a result of year-over-year U.S. currency fluctuations relative to the Canadian dollar, revenues were negatively impacted by a difference of approximately 3.6% for the quarter.

Recurring revenue, consisting of software support and maintenance, utilization fees, transaction fees, data management, transcription and billing services, was approximately 65% in the quarter.

Q1 fiscal 2008 gross profit margin was 79%, compared to 58% in Q1 fiscal 2007. The year-over-year increase in gross profit margin was primarily due to a greater portion of revenue coming from higher margin software license and maintenance revenue than in the prior year period.

Total operating expenses in Q1 fiscal 2008 were \$5.9 million, compared to \$3.6 million in the first quarter of fiscal 2007. The increase in year-over-year expenses was driven by additional costs inherited from the VantageMed acquisition, including increased client services expenses, a \$0.8 million increase in amortization expense, and the Company's investment in sales and marketing and research and development resources to support expansion into the U.S.

Nightingale generated positive adjusted EBITDA of \$0.1 million, or 2%, in Q1 fiscal 2008, compared to negative adjusted EBITDA of \$1.5 million in Q1 fiscal 2007. Adjusted EBITDA increased year-over-year due to the significant increase in revenue, higher gross profit margin, a focus on cost control and synergies generated from the integration of VantageMed, partially offset by the Company's investment in its infrastructure to support future growth.

For Q1 fiscal 2008, net loss was \$1.8 million, or \$(0.02) per share, compared to a net loss of \$2.3 million, or \$(0.07) per share in Q1 2007.

Subsequent to Quarter-End

- Signed agreements to license its EMR solution and provide associated support, training and implementation services to VantageMed customers in Pennsylvania; Minnesota; New Jersey and South Carolina.
- Won the contract to provide EMR and practice management solutions to healthcare providers throughout the Northwest Territories. The initial phase of the agreement is valued at \$600,000, with the potential future contract value estimated at \$2.0 million.

Fiscal 2008 Outlook

Nightingale has established objectives to achieve positive adjusted EBITDA and cash from operations for the fiscal year. The Company intends to first demonstrate its goal of improved financial performance before continuing to pursue its strategy of expansion through acquisitions.

Nightingale expects that the current fiscal year's revenue from recurring sources, consisting of software support and maintenance, utilization fees, transaction fees, data management, transcription and billing services, will comprise approximately 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

¹Non-GAAP Financial Measures

Nightingale reports its financial results in accordance with Canadian generally accepted accounting principles ("GAAP"). Nightingale's management also evaluates and makes operating decisions using various other measures and one such measure is adjusted EBITDA, which is a non-GAAP financial measure. 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 June 30, 2007	Fiscal Quarter Ended June 30, 2006
Adjusted EBITDA	Net Income/Loss	-1,753,065	-2,321,005
	<i>Adjustments for:</i>		
	Other Loss (Income)	53,679	-91,539
	Interest	587,469	548,639
	Taxes	-	-
	Depreciation and Amortization	989,509	163,685
	Stock-based Compensation	225,123	223,218
	Adjusted EBITDA	102,715	-1,477,002

Notice of Conference Call and Webcast

Nightingale will host a conference call on August 16, 2007 at 8:30 a.m. Eastern Daylight Time. To access the conference call by telephone, dial 416-644-3414 or 1-800-732-9307. 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 23, 2007. To access the archived conference call, dial 416-640-1917, or 1-877-289-8525 and enter reference number 21242636#.

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

INTERIM CONSOLIDATED BALANCE SHEET
(unaudited)

	June 30, 2007	March 31, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 5,543,899	\$ 1,747,660
Accounts Receivable	3,360,021	3,018,767
Other Receivables	41,004	79,739
Inventory	91,859	7,893
Prepaid Expenses	493,656	257,157
	<u>9,530,439</u>	<u>5,111,216</u>
Long-Term Assets		
Deferred Costs	226,080	626,890
Property and Equipment	1,459,812	1,352,739
Proprietary Software	1,126,423	1,230,472
Intangible Assets	12,185,047	1,878,099
Goodwill	15,007,773	7,331,853
	<u>30,005,135</u>	<u>12,420,053</u>
	<u>\$ 39,535,574</u>	<u>\$ 17,531,269</u>
LIABILITIES		
Current Liabilities		
Borrowing under Line of Credit	\$ -	\$ 1,541,733
Accounts Payable and Accrued Liabilities	4,354,686	2,770,367
Current Portion of Deferred Revenue	5,736,103	1,829,931
Current Portion of Capital Lease Obligations	246,521	258,586
	<u>10,337,310</u>	<u>6,400,617</u>
Long Term Liabilities		
Subordinated Debt	9,917,981	-
Deferred Compensation Payable to Employees	1,963	100,824
Deferred Revenue	1,299,666	1,716,512
Capital Lease Obligations	178,332	196,246
	<u>11,397,942</u>	<u>2,013,582</u>
Total Liabilities	<u>21,735,252</u>	<u>8,414,199</u>
SHAREHOLDERS' EQUITY		
Capital Stock	27,295,885	18,553,953
Contributed Surplus	1,246,340	1,021,217
Warrants	3,277,011	1,807,749
Deficit	(14,018,914)	(12,265,849)
	<u>17,800,322</u>	<u>9,117,070</u>
Total Liabilities and Shareholders' Equity	<u>\$ 39,535,574</u>	<u>\$ 17,531,269</u>

**INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2007
(unaudited)**

	June 30, 2007	June 30, 2006
Revenue	<u>\$ 6,122,213</u>	<u>\$ 2,989,106</u>
Cost of Sales		
Hardware, Software and Services	1,157,479	1,175,541
Sales Commissions	148,989	67,227
	<u>1,306,468</u>	<u>1,242,768</u>
Gross Profit	<u>4,815,745</u>	<u>1,746,338</u>
Expenses		
General and Administration	857,799	873,062
Sales and Marketing	943,197	775,472
Research and Development	1,292,882	1,003,163
Client Services	1,619,152	571,643
Stock-Based Compensation	225,123	223,218
Amortization	989,509	163,685
	<u>5,927,662</u>	<u>3,610,243</u>
Operating Loss for the Period	<u>(1,111,917)</u>	<u>(1,863,905)</u>
Interest	587,469	548,639
Other Loss (Income)	53,679	(91,539)
Net Loss and Comprehensive Loss for the Period	<u>(1,753,065)</u>	<u>(2,321,005)</u>
Loss per Common Share, Basic	<u>(0.02)</u>	<u>(0.07)</u>
Weighted Average Number of Common Shares	<u>63,345,256</u>	<u>34,551,915</u>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2007
(unaudited)**

	June 30, 2007	June 30, 2006
Cash Flow from Operating Activities		
Loss for the Period	\$ (1,753,065)	\$ (2,321,005)
<i>Adjustments for:</i>		
Amortization	989,509	163,685
Stock-Based Compensation	225,123	223,218
Interest Accretion	196,857	-
	<u>(341,576)</u>	<u>(1,934,102)</u>
<i>Changes in Non-Cash Working Capital Balances:</i>		
Decrease (Increase) in Accounts Receivable	485,772	(492,055)
Decrease (Increase) in Prepaid Expenses	(39,493)	(54,421)
Decrease (Increase) in Inventory	(55,135)	-
Decrease (Increase) in Deferred Costs	383,400	248,025
Decrease (Increase) in Other Receivables	38,735	145,107
Increase (Decrease) in Accounts Payable and Accrued Liabilities	(888,034)	(463,819)
Increase (Decrease) in Deferred Compensation Payable	(98,861)	(310,493)
Increase (Decrease) in Deferred Revenue	(222,913)	(82,575)
Cash flows used in operating activities	<u>(738,105)</u>	<u>(2,944,333)</u>
Cash Flow from Investing Activities		
Purchase of Property and Equipment	(148,258)	(126,283)
IHPS Acquisition	-	(2,990,880)
VantageMed Acquisition, Net of Cash Received	(13,533,087)	-
Cash flows used in investing activities	<u>(13,681,345)</u>	<u>(3,117,163)</u>
Cash Flow from Financing Activities		
Increase in Capital Stock	8,741,932	9,265,370
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	-	(1,227,920)
Increase (Decrease) in Capital Lease Obligations	(74,322)	62,525
Increase (Decrease) in Borrowing under Line of Credit	(1,541,733)	925,202
Cash flows used in financing activities	<u>18,215,689</u>	<u>9,307,395</u>
Net Increase in Cash During the Period	3,796,239	3,245,899
Cash and Cash Equivalents, Beginning of Period	<u>1,747,660</u>	<u>373,691</u>
Cash and Cash Equivalents, End of Period	<u>\$ 5,543,899</u>	<u>\$ 3,619,590</u>