



NIGHTINGALE REPORTS FISCAL 2010 SECOND QUARTER RESULTS

Markham, ON, November 23, 2009 - Nightingale Informatix Corporation (“Nightingale” or the “Company”) (TSX-V: NGH), an application service provider (ASP) of electronic medical record (EMR) software and related services announces its financial results for the quarter and six months ended September 30, 2009. All results are reported in Canadian dollars unless otherwise stated.

Q2 and Year to Date Highlights

- The Company achieved its third consecutive quarter of positive EBITDA for the quarter ended September 30, 2009. EBITDA was a positive \$0.2 million for the quarter ended September 30, 2009 compared to an EBITDA loss of \$0.5 million for the fiscal quarter ended September 30, 2008. EBITDA was a positive \$0.2 million for the six months ended September 30, 2009 compared to a negative \$0.7 million for the six months ended September 30, 2008.
- Revenues for the quarter ended September 30, 2009 were \$3.9 million compared to \$4.2 million for the year ago quarter. Revenues were \$8.1 million for the six months ended September 30, 2009 compared to \$9.2 million for the six months ended September 30, 2008. Recurring revenues decreased 3% in the quarterly periods and increased 2% in the six month periods. Non-Recurring revenues increased 28% in the quarterly periods and decreased \$1.3 million in the six month periods.
- Loss and comprehensive loss decreased to \$0.7 million from \$1.6 million in the quarterly periods and decreased to \$1.6 million from \$2.8 million for the six months ended September 30, 2008.
- Expenses for the fiscal quarter ended September 30, 2009 decreased \$0.9 million, or 22%, from the same quarter last fiscal year and decreased \$2 million, or 23%, during the six month periods.
- In July 2009, the Company amended its debt financing agreements and extended the term of its subordinated debt through July 2012.
- In July 2009, the Company was selected to provide its web-based OntarioMD Certified Nightingale On Demand EMR to the North Burlington Medical Centre, where the application will be used by more than 30 full and part-time physicians providing family practice, pediatrics and walk-in (urgent care) medical services with over 75,000 patients visits per year.
- In August 2009, the Company entered into an agreement with a Canadian research assistance agency whereby the Company will be reimbursed up to \$0.5 million for certain research and development activities in support of the Company’s US EMR product.
- In October 2009, the Ontario Medical Association (OMA) announced \$236M in funding to advance the adoption of EMRs among practice-based family physicians and specialists in the province.

“We are pleased to report our third consecutive quarter of positive EBITDA. We demonstrated further improvement in our EBITDA and financial performance including positive generation of cash from operations in the second quarter,” said Sam Chebib, President and CEO of Nightingale.

“ We believe that the long anticipated October 2009 announcement by the Ontario Medical Association was a significant milestone in the efforts to advance adoption of EMRs among practice-based physicians and specialists in Ontario. We are excited to be a part of this movement in Ontario and will continue to

focus on increasing the number of practioners on our platform with the funding acting as a catalyst to our efforts.”

Q2 and Year to Date Fiscal 2010 Financial Review

For the three and six months ended September 30, 2009, revenue was \$3.9 million and \$8.1 million, respectively. This compares to \$4.2 million and \$9.2 million for the three and six months ended September 30, 2008, representing an 8% and 12% decrease over these respective periods. These decreases were due largely to decreases in Non-Recurring Revenues over the same periods last fiscal year. Revenues were also negatively affected during the periods by the delay of EMR buying decisions in anticipation of government funding announcements. The Ontario government announced a \$235 million subsidy program on October 29, 2009.

Recurring Revenue for the three and six months ended September 30, 2009 was \$3.3 million and \$6.9 million. This compares to \$3.4 million and \$6.7 million for the same periods ended September 30, 2008, representing a 3% decrease and a 2% increase over these respective periods. The decrease in Recurring Revenue from the year ago quarter was largely the result of lower data management and transcription revenues, which were partially offset by the increase in the value of the US dollar relative to the Canadian dollar. The increase in Recurring Revenue from the six month period last fiscal year was primarily the result of an increase in billing and financial management revenues as a large customer was fully implemented and transactional fees, which were partially offset by lower data management and transcription revenues. The increase in the value of the US dollar relative to the Canadian dollar also had a positive impact on Recurring Revenue, versus the six month period last fiscal year.

Non-Recurring Revenue for the three and six months ended September 30, 2009 was \$0.6 million and \$1.2 million. This compares to \$0.8 million, or 19% of revenue and \$2.5 million for the three and six months ended September 30, 2008, representing a 28% and a 53% decrease over these respective periods. The decrease in Non-Recurring Revenue over the three month periods is primarily the result of a decrease in custom development revenues. The decrease in Non-Recurring Revenue over the six month periods is primarily the result of a decrease in software revenue, as the Company recognized \$1 million of license revenue related to a Canadian government agency in the first quarter of last fiscal year. Revenues were also negatively affected during the periods by the delay of EMR buying decisions in anticipation of government funding announcements. The Ontario government announced a \$235 million subsidy program on October 29, 2009.

Over the three months ended September 30, 2009, the Company generated 74% of its revenue from the US market. With the increase in the value of the US dollar relative to the Canadian dollar during the three and six month periods, the Company estimates that revenue was positively impacted by approximately 4% or \$0.2 million for the three month period and 7%, or \$0.6 million, for the six month period, compared to the same periods of the previous fiscal year.

For the three and six month periods ended September 30, 2009, gross profit was \$2.8 million, or 72% of revenue and \$5.8 million, or 71% revenue, compared to \$3.2 million, or 75% of revenue and \$6.8 million, or 74% for the prior year periods. The decrease in gross profit margins can be primarily associated with a decrease in higher margin Non-Recurring revenue over the respective periods.

Expenses for the three and six month periods ended September 30, 2009, were \$3.3 million and \$6.8 million. This compares to \$4.3 million and \$8.8 million for the three and six month periods ended September 30, 2008, representing a 22% and 23% decrease over the respective periods. This decrease

in expense was the result of the Company's strategic plan to accelerate profitability and the implementation of several cost reduction measures throughout fiscal year 2009. Although the Company is focused on prudent expense management as it seeks to achieve profitability, the Company may continue to make select investments in support of revenue generating activities.

Over the three months ended September 2009, approximately 44% of the Company's expenses were incurred in the US, providing the Company with a natural hedge position that has offset some of the effects on revenue of the increase in value of the US dollar versus last fiscal year. The Company estimates that expenses were negatively impacted by approximately 2% or \$0.1 million for the three month period and 4%, or \$0.3 million, for the six month period, compared to the same periods in the previous year.

EBITDA for each of the three and six month periods ended September 30, 2009, was \$0.2 million. This compares to EBITDA losses of \$0.5 million and \$0.7 million for the three and six month periods ended September 30, 2008. The Company has been focused on achieving profitability and has implemented several cost reduction initiatives, particularly in the third quarter of last fiscal year. This improvement in EBITDA is a reflection of these initiatives as well as the strengthening of the US dollar compared to the same periods last fiscal year.

For the three and six month periods ended September 30, 2009, loss and comprehensive loss was \$0.7 million and \$1.6 million. This compares to loss and comprehensive loss of \$1.5 million and \$2.8 million for the three and six month periods ended September 30, 2008. The improvement in loss and comprehensive loss in the respective periods can be primarily attributed to cost reductions initiatives as well as the strengthening of the US dollar compared to the same respective periods last fiscal year. Going forward, the Company's financial results will continue to be impacted by changes in the rate of exchange between the US Dollar and the Canadian Dollar. The improvement in loss and comprehensive loss over the respective periods was partially offset by a decrease in Non-Recurring Revenues.

Cash and cash equivalents were \$2.4 million at September 30, 2009, compared to \$3.5 million at March 31, 2009. At September 30, 2009, total common shares issued and outstanding were 70,534,543.

The financial statements and MD&A will be available at www.nightingale.md and filed on www.sedar.com on November 20, 2009. This press release should be read in conjunction with Nightingale's Consolidated Financial Statements for the quarter and six months ended September 30, 2009 and the accompanying Management Discussion and Analysis.

Notice of Conference Call and Webcast

Nightingale will host a conference call on Monday November 23, 2009 at 8:30 a.m. Eastern Standard Time. To access the conference call by telephone, dial 416-644-3425 or 1-800-731-5319. Please connect approximately fifteen minutes, and reference conference ID 4183600 prior to the beginning of the call to ensure participation.

The conference call will be archived for replay until Monday November 30, 2009. To access the archived conference call, dial 416-640-1917 or 1-877-289-8525 and enter reference 4183600#. To listen to the conference call on-demand at your convenience please send an email to info@nightingale.md and a copy of the call recording will be emailed directly to you.

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.

1. 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.

2. 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 Loss and Comprehensive Loss:

Definition	Fiscal Quarter Ended September 30, 2009	Fiscal Quarter Ended September 30, 2008	Six Months Ended September 30, 2009	Six Months Ended September 30, 2008
Loss and Comprehensive Loss	\$ (726)	\$ (1,492)	\$ (1,570)	\$ (2,752)
<i>Adjustments for:</i>				
Other Loss (Income)	(35)	16	(78)	28
Interest	253	364	570	720
Depreciation and Amortization	553	633	1,121	1,245
Stock-based Compensation	136	21	161	65
EBITDA	\$ 181	\$ (458)	\$ 204	\$ (694)

About Nightingale

Nightingale is one of the fastest growing health care service and software companies in North America and 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” respecting the issuance and cancellation of securities of the Company 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, access to capital and agreements with its Lenders; the existence of present and possible future government regulation; access to debt or equity financing and agreements with its Lenders; 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. All material assumptions used in making forward-looking statements are based on management’s knowledge of current business conditions and expectations of future business conditions and trends. Although management believes the assumptions used to make such statements are reasonable at this time, our assumptions may not to be as anticipated, estimated or intended. Certain material factors or assumptions applied by management in making forward-looking statements, include without limitation, factors and assumptions regarding Nightingale's continued ability to fund its business, rates of customer defaults, relationships with, and payments to, lenders, demand for Nightingale's products, as well as Nightingale's operating cost structure.

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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

**INTERIM CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2009**

	3 months ending September 30, 2009	3 months ended September 30, 2008	6 months ending September 30, 2009	6 months ended September 30, 2008
Revenue	\$ 3,926,392	\$ 4,246,312	\$ 8,056,611	\$ 9,191,899
Cost of sales	<u>1,107,940</u>	<u>1,082,779</u>	<u>2,301,541</u>	<u>2,359,589</u>
Gross profit	<u>2,818,452</u>	<u>3,163,533</u>	<u>5,755,070</u>	<u>6,832,310</u>
Expenses				
General and administration	606,572	831,058	1,372,495	1,683,696
Sales and marketing	312,645	650,567	737,066	1,347,465
Research and development	695,326	923,287	1,427,474	1,984,947
Client services	1,023,216	1,216,414	2,014,310	2,509,947
Stock based compensation	136,132	21,412	161,482	65,005
Amortization	<u>552,718</u>	<u>632,571</u>	<u>1,121,288</u>	<u>1,244,873</u>
	<u>3,326,609</u>	<u>4,275,309</u>	<u>6,834,115</u>	<u>8,835,933</u>
Operating loss	<u>(508,157)</u>	<u>(1,111,776)</u>	<u>(1,079,046)</u>	<u>(2,003,623)</u>
Interest	253,273	364,360	569,682	720,387
Foreign currency loss (gain)	(34,934)	15,536	(78,455)	27,531
Loss and comprehensive loss	<u>\$ (726,496)</u>	<u>\$ (1,491,672)</u>	<u>\$ (1,570,272)</u>	<u>\$ (2,751,541)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>
Weighted average number of common shares	70,534,543	67,478,540	69,931,693	67,478,540

**INTERIM CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2009**

	As at September 30, 2009	As at March 31, 2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,357,786	\$ 3,514,056
Accounts receivable	1,822,361	2,324,377
Other receivables	38,229	21,218
Inventory	38,586	62,182
Prepaid expenses	497,155	448,275
	<u>4,754,117</u>	<u>6,370,108</u>
Long-term assets		
Deferred costs	101,662	129,104
Property and equipment	853,177	1,216,596
Intangible assets	4,768,620	5,497,436
Goodwill	4,692,399	4,692,399
	<u>10,415,858</u>	<u>11,535,535</u>
Total assets	<u><u>\$ 15,169,975</u></u>	<u><u>\$ 17,905,643</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,700,438	\$ 3,693,844
Income taxes payable	807,171	948,701
Current portion of deferred revenue	3,819,251	3,935,954
Current portion of capital lease obligations	167,373	178,655
	<u>7,494,233</u>	<u>8,757,154</u>
Long term liabilities		
Subordinated debt	4,395,426	4,938,425
Deferred revenue	1,213,914	1,296,842
Capital lease obligations	141,857	281,463
	<u>5,751,197</u>	<u>6,516,730</u>
Total liabilities	<u>13,245,430</u>	<u>15,273,884</u>
SHAREHOLDERS' EQUITY		
Capital stock	28,348,960	27,596,692
Contributed surplus	4,383,082	3,274,607
Warrants	471,577	1,469,262
Deficit	(31,279,074)	(29,708,802)
	<u>1,924,545</u>	<u>2,631,759</u>
Total liabilities and shareholders' equity	<u><u>\$ 15,169,975</u></u>	<u><u>\$ 17,905,643</u></u>

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2009**

	3 months ending September 30, 2009	3 months ended September 30, 2008	6 months Ending September 30, 2009	6 months Ended September 30, 2008
Cash Flow from Operating Activities				
Loss and comprehensive loss	\$ (726,496)	\$ (1,491,672)	\$ (1,570,272)	\$ (2,751,541)
<i>Adjustments for:</i>				
Depreciation and amortization	552,718	632,571	1,121,288	1,244,872
Amortization of transaction costs related to debt financing	11,694	33,525	45,218	67,049
Foreign currency loss (gain)	(34,934)	15,536	(78,455)	27,531
Stock based compensation	136,132	43,912	161,482	65,005
Interest accretion	<u>55,386</u>	<u>128,460</u>	<u>157,005</u>	<u>256,238</u>
	(5,500)	(637,668)	(163,735)	(1,090,846)
<i>Changes in non-cash working capital balances</i>				
Accounts receivable	407,402	153,954	262,742	455,359
Prepaid expenses	62,369	109,362	(48,880)	44,227
Inventory	6,329	29,817	23,596	89,798
Deferred costs	14,996	(24,997)	27,340	21,694
Other receivables	(20,264)	(65,120)	(15,020)	569,842
Accounts payable and accrued liabilities	(196,598)	(388,727)	(767,153)	(702,251)
Deferred revenue	<u>(248,288)</u>	<u>(202,462)</u>	<u>(199,631)</u>	<u>(866,834)</u>
Cash flows provided by (used in) operating activities	<u>20,446</u>	<u>(1,025,841)</u>	<u>(880,741)</u>	<u>(1,479,011)</u>
Cash flow from investing activities				
Purchase of property and equipment	<u>(12,806)</u>	<u>(42,529)</u>	<u>(29,052)</u>	<u>(103,866)</u>
Cash flows used in investing activities	<u>(12,806)</u>	<u>(42,529)</u>	<u>(29,052)</u>	<u>(103,866)</u>
Cash flow from financing activities				
Repayment of subordinated debt financing	-	(500,000)	-	(500,000)
Borrowing (repayment) under line of credit	-	750,000	-	750,000
Repayment of capital lease obligations	<u>(59,742)</u>	<u>(73,832)</u>	<u>(136,130)</u>	<u>(176,463)</u>
Cash flows from (used in) financing activities	<u>(59,742)</u>	<u>176,168</u>	<u>(136,130)</u>	<u>73,537</u>
Foreign exchange gains(losses) on cash held in foreign currency	(67,853)	44,235	(110,348)	46,833
Net decrease in cash during the period	(52,102)	(892,202)	(1,045,923)	(1,509,340)
Cash and cash equivalents, beginning of period	2,477,741	4,419,206	3,514,056	5,033,746
Cash and cash equivalents, end of period	<u>\$ 2,357,786</u>	<u>\$ 3,571,239</u>	<u>\$ 2,357,786</u>	<u>\$ 3,571,239</u>

**OVERALL PERFORMANCE, RESULTS OF OPERATIONS AND FINANCIAL CONDITION
QUARTERLY DATA**

In \$ 000's (Except per Share Amounts)	Fiscal Year Ended	Q3 Ended	Q4 Ended	Fiscal Year Ended	Q1 Ended	Q2 Ended	Q3 Ended	Q4 Ended	Fiscal Year Ended	Q1 Ended	Q2 Ended
	March 31, 2007	Dec 31, 2007	March 31, 2008	March 31, 2008	June 30, 2008	Sept 30, 2008	Dec 31, 2008	March 31, 2009	March 31, 2009	June 30, 2009	Sept 30, 2009
Recurring Revenue	\$ 9,828	\$ 3,229	\$ 3,247	\$13,088	\$ 3,309	\$ 3,431	\$ 4,045	\$ 3,746	\$14,531	\$ 3,564	\$ 3,341
Non-Recurring Revenue	4,186	713	931	5,788	1,637	815	511	971	3,934	566	585
Revenue	14,014	3,942	4,178	18,876	4,946	4,246	4,556	4,717	18,465	4,130	3,926
Gross Profit	9,589	2,660	2,979	13,706	3,669	3,164	3,272	3,305	13,410	2,937	2,818
Expenses	14,856	5,220	4,739	19,957	4,561	4,275	4,022	3,962	16,820	3,508	3,327
EBITDA Income (Loss)	(3,841)	(1,799)	(1,188)	(3,526)	(236)	(458)	(34)	9	(719)	22	181
Operating Loss for the Period	(5,267)	(2,561)	(1,761)	(6,250)	(892)	(1,112)	(750)	(656)	(3,410)	(571)	(508)
Loss and Comprehensive Loss	(5,713)	(3,324)	(6,273)	(12,811)	(1,260)	(1,492)	(876)	(1,004)	(4,632)	(844)	(726)
Loss and Comprehensive Loss per Common Share	\$ (0.14)	\$ (0.05)	\$ (0.09)	\$ (0.19)	\$ (0.20)	\$ 0.02	\$ (0.01)	\$ (0.01)	\$ (0.07)	\$ (0.01)	\$ (0.01)
Weighted Avg. # of Common Shares	40,120	66,914	67,460	66,228	67,479	67,479	67,667	67,845	67,845	69,322	70,535
Total Assets	\$17,531	\$36,257	\$23,992	\$23,992	\$21,807	\$20,308	\$20,078	\$17,906	\$17,906	\$16,413	\$15,170
Total Long Term Liabilities	\$ 2,014	\$12,097	\$ 6,948	\$ 6,948	\$ 6,366	\$ 6,251	\$ 6,234	\$ 6,517	\$ 6,517	\$ 6,309	\$ 5,751