



NIGHTINGALE REPORTS FISCAL 2011 SECOND QUARTER RESULTS

Markham, ON, November 18, 2010 – 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 three- and six-month periods ended September 30, 2010. All results are reported in Canadian dollars unless otherwise stated.

Q2 Fiscal 2011 Summary

- Revenue was \$4.2 million, up from \$3.9 million in Q2 F2010, primarily reflecting a \$0.6 million increase in software revenues, which offset a \$0.4 million decrease in transcription revenue and a negative \$0.1 million foreign exchange impact.
- Gross profit margin was 79%, up from 72% in Q2 F2010 as a result of the Company’s increased focus on generating high-margin software revenue.
- EBITDA¹ increased to \$0.4 million, compared to \$0.2 million in Q2 F2010, reflecting stronger top line and gross margin results.
- Net loss was \$0.5 million, compared to net loss of \$0.7 million for Q2 F2010.
- Cash from operations increased to \$0.3 million from \$0.02 million in Q2 F2010, driven by an improvement in the Company’s bottom line results as well as the timing of collection of cash on deferred revenue.
- Total deferred revenue as at September 30, 2010 was \$6.0 million compared to \$5.0 million as at September 30, 2009.
- Completed a comprehensive debt refinancing, which resulted in reduced interest expense starting in Q2 F2010 compared to previous periods, and increased overall financial flexibility.
- Signed agreements with healthcare providers across Canada to deploy more than 200 EMR seats, including a five-year EMR and practice management agreement with the AIM Health Group, representing 150 seats.
- Announced plans to deploy, in partnership with Canadian Patient Access Inc., the Company’s secure patient portal, mypatientaccess.ca, with a Canadian clinic, making the web-based interactive patient portal available to parents of more than 10,000 pediatric patients.

“We have seen improved EMR business momentum across Canada during the first half of fiscal 2011, with Nightingale signing more than 400 new EMR seats,” said Sam Chebib, President and CEO of Nightingale. “Driven by government funding – the key catalyst fueling EMR adoption at this stage – there is increased interest for our products in Ontario and Nova Scotia, and we are building a sales pipeline in Saskatchewan where we are also an approved EMR vendor under the Saskatchewan Medical Association’s program. While these accomplishments are encouraging, their financial impact will be evident in the longer term in the form of recurring revenues.”

Mr. Chebib continued: "With the improvements in the overall EMR market environment, we remain optimistic about the long-term opportunities ahead of us. We are focusing our attention and investments on key areas of the business that best position us to acquire new customers and expand our market share, while remaining highly committed to carefully managing our expenses and cash. In the near-term, we expect there will be continued fluctuations in our quarterly results as the EMR market unfolds, with funding being rolled out to physicians at clinics of varying sizes and customers choosing either our up-front license or a monthly utilization payment option. However, we believe the combination of our existing EMR sales pipeline and the technology leadership of our product offering positions us to further strengthen our financial results over the longer term."

Q2 and Year-to-date (YTD) Fiscal 2011 Financial Review

Revenue was \$4.2 million for Q2 F2011, compared to \$3.9 million for Q2 F2010. The improvement is primarily the result of a \$0.6 million increase in software license revenue, which was partially offset by a \$0.4 million decrease in the Company's lower-margin transcription business, as well as a negative \$0.1 million foreign exchange impact (the Company generated 52% of Q2 F2011 revenue in the US), which predominantly affected the Company's recurring revenue. YTD revenue was \$8.6 million, compared to \$8.1 million for the first half of F2010, which reflected a \$1.6 million increase in software license revenue, a \$0.9 million decrease in transcription revenue and a negative \$0.4 million foreign exchange impact (the Company generated 52% of revenue in the US during the first half of F2011).

Recurring Revenue² was \$2.7 million for Q2 F2011, compared to \$3.3 million for Q2 F2010. The decrease is primarily the result of a reduction in transcription revenue and the negative foreign exchange impact. For Q2 F2011, transcription revenue decreased to \$0.07 million from \$0.5 million for Q2 F2010. YTD, Recurring Revenue² was \$5.6 million, compared to \$6.9 million for the first half of F2010. Recurring revenue generated by Nightingale's core business (which excludes the Company's transcription revenues and the impact of foreign exchange) was \$2.8 million for Q2 fiscal 2011 and \$5.8 million YTD, compared to \$2.8 million and \$5.9 million, respectively, for the same periods last year.

Non-Recurring Revenue² increased to \$1.5 million and \$3.0 million for the Q2 and YTD F2011 periods, from \$0.6 million and \$1.2 million, respectively, for the same periods last year, primarily due to the increase in software licensing and professional services revenue driven by sales of the Company's Nightingale on Demand EMR product.

For Q2 and the YTD F2011 periods, gross profit margin was 79% and 80%, respectively, compared to 72% and 71%, respectively, for the same periods last year, as the Company continues to increase its focus on generating a greater proportion of higher margin software sales in F2011.

Operating expenses (excluding stock based compensation and amortization) were \$2.9 million in Q2 F2011, compared to \$2.6 million in Q2 F2010. The increase in expenses reflects the Company's increased investment in sales and marketing, which was partially offset by a positive \$0.1 million foreign exchange impact. In Q2 2011, the Company incurred approximately 37% of its operating expenses in the US, providing a natural hedge position that offsets some of the negative foreign exchange impact on the Company's revenue. For YTD F2011, operating expenses were \$5.9 million, compared to \$5.6 million for the same period in F2010. For YTD F2011, the Company incurred approximately 35% of its expenses in the US, resulting in a positive \$0.2 million foreign exchange impact.

EBITDA was \$0.4 million and \$1.0 million for the Q2 and YTD F2011 periods, compared to \$0.2 million and \$0.2 million, respectively for the same periods in F2010.

Net loss was \$0.5 million and \$0.5 million for the Q2 and YTD F2011 periods, compared to losses of \$0.7 million and \$1.6 million, respectively, for the same periods in F2010.

Cash generated from (used in) operating activities was \$0.3 million and \$1.3 million for the Q2 and YTD F2011 periods, compared to \$0.02 million and (\$0.9) million, respectively for the same periods last year. The increase reflects both the improvement in the Company's bottom line results, as well as timing of the collection of cash on deferred revenue.

Cash and cash equivalents were \$3.0 million at September 30, 2010, compared to \$1.8 million at March 31, 2010. At September 30, 2010, total common shares issued and outstanding were 76,310,915.

This press release should be read in conjunction with Nightingale's Consolidated Financial Statements for the quarter ended September 30, 2010 and the accompanying Management Discussion and Analysis. The financial statements and MD&A will be available at www.nightingalemd.com and filed on www.sedar.com on November 18, 2010.

Notice of Conference Call

Nightingale will host a conference call on Thursday, November 18, 2010 at 8:30 a.m. Eastern Standard Time. To access the conference call by telephone, dial (647) 427-7450 or (888) 231-8191. Please connect approximately fifteen minutes prior to the call, and reference conference ID 24176473 prior to the beginning of the call to ensure participation. The conference call will be archived for replay until Thursday, November 25, 2010. To access the archived conference call, dial 1-800-642-1687 and enter reference 24176473 #. To listen to the conference call replay on the internet please visit our website shortly after the call at www.nightingalemd.com.

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. 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, 2010	Fiscal Quarter Ended September 30, 2009	Six Months Ended September 30, 2010	Six Months Ended September 30, 2009
Loss and Comprehensive Loss	\$ (468)	\$ (726)	\$ (477)	\$ (1,570)
<i>Adjustments for:</i>				
Current Tax Benefit	\$ (28)	\$ -	\$ (11)	\$ -
Other Loss (Income)	(4)	(35)	(15)	(78)
Interest	249	253	425	570
Depreciation and Amortization	420	553	839	1,121
Stock-based Compensation	217	136	241	161
EBITDA	\$ 386	\$ 181	\$ 1,002	\$ 204

2. 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. Recurring Revenue is comprised of utilization fees, hosting, support and maintenance revenue, data management and transcription services, billing and financial management services and transactional fees. Non-Recurring Revenue is comprised of revenues generated from sales of software and systems and related training, data conversion and installation services.

The following provides a reconciliation of Recurring Revenue and Non-Recurring Revenue to Revenue:

Definition	Fiscal Quarter Ended September 30, 2010	Fiscal Quarter Ended September 30, 2009	Six Months Ended September 30, 2010	Six Months Ended September 30, 2009
Non-Recurring Revenue	\$ 1,491	\$ 585	\$ 3,050	\$ 1,152
Recurring Revenue	2,723	3,341	5,565	6,904
Revenue	\$ 4,214	\$ 3,926	\$ 8,615	\$ 8,056

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.nightingalemd.com

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 (Unaudited)
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2010**

	3 months ending September 30, 2010	3 months ended September 30, 2009	6 months ending September 30, 2010	6 months ended September 30, 2009
Revenue	\$ 4,213,850	\$ 3,926,392	\$ 8,615,340	\$ 8,056,611
Cost of sales	<u>886,600</u>	<u>1,107,940</u>	<u>1,754,722</u>	<u>2,301,541</u>
Gross profit	<u>3,327,250</u>	<u>2,818,452</u>	<u>6,860,618</u>	<u>5,755,070</u>
Expenses				
General and administration	708,835	606,572	1,484,243	1,372,495
Sales and marketing	546,664	312,645	1,178,068	737,066
Research and development	755,083	695,326	1,433,347	1,427,474
Client services	930,767	1,023,216	1,762,771	2,014,310
Stock based compensation	217,029	136,132	240,624	161,482
Amortization	419,588	552,718	838,854	1,121,288
	<u>3,577,966</u>	<u>3,326,609</u>	<u>6,937,907</u>	<u>6,834,115</u>
Operating loss	<u>(250,716)</u>	<u>(508,157)</u>	<u>(77,289)</u>	<u>(1,079,046)</u>
Interest, note	248,937	253,273	425,284	569,682
Foreign currency loss (gain)	<u>(4,202)</u>	<u>(34,934)</u>	<u>(15,190)</u>	<u>(78,455)</u>
Profit / (loss) before tax	(495,451)	(726,496)	(487,383)	(1,570,272)
Current income tax benefit	<u>(27,593)</u>	<u>-</u>	<u>(10,521)</u>	<u>-</u>
Loss and comprehensive loss	<u>\$ (467,858)</u>	<u>\$ (726,496)</u>	<u>\$ (476,862)</u>	<u>\$ (1,570,272)</u>
Basic and diluted loss per common share	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
Weighted average number of common shares	76,310,915	70,534,543	75,649,594	69,931,693

INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)
AS AT SEPTEMBER 30, 2010 and MARCH 31, 2010

	As at September 30, 2010	As at March 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$ 3,027,555	\$ 1,798,247
Accounts receivable	2,700,116	2,626,757
Other receivables	74,866	134,459
Inventory	23,435	30,708
Prepaid expenses	549,675	454,070
	<u>6,375,647</u>	<u>5,044,241</u>
Long-term assets		
Deferred costs	74,188	83,385
Property and equipment	680,184	821,243
Intangible assets	3,895,631	4,010,143
Goodwill	4,692,399	4,692,399
	<u>9,342,122</u>	<u>9,607,170</u>
Total assets	<u>\$ 15,717,769</u>	<u>\$ 14,651,411</u>
LIABILITIES		
Current liabilities		
Line of Credit	\$ 840,000	\$ -
Current portion of term loan	733,333	-
Accounts payable and accrued liabilities	2,394,242	2,549,237
Income taxes payable	708,613	705,940
Current portion of deferred revenue	3,958,569	3,488,382
Current portion of capital lease obligations	222,122	296,649
	<u>8,856,879</u>	<u>7,040,208</u>
Long term liabilities		
Term Loan	1,161,102	-
Convertible Debt	1,765,632	-
Subordinated debt	-	5,250,000
Deferred revenue	2,050,947	1,750,644
Capital lease obligations	207,466	211,578
	<u>5,185,147</u>	<u>7,212,222</u>
Total liabilities	<u>14,042,026</u>	<u>14,252,430</u>
SHAREHOLDERS' EQUITY		
Capital stock	29,629,683	28,348,960
Contributed surplus	4,704,048	4,501,027
Other paid in capital	269,880	-
Warrants	701,452	701,452
Deficit	(33,629,320)	(33,152,458)
	<u>1,675,743</u>	<u>398,981</u>
Total liabilities and shareholders' equity	<u>\$ 15,717,769</u>	<u>\$ 14,651,411</u>

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)
FOR THE THREE AND SIX MONTH PERIODS ENDED SEPTEMBER 30, 2010

	3 months ending September 30, 2010	3 months ended September 30, 2009	6 months Ending September 30, 2010	6 months Ended September 30, 2009
Cash Flow from Operating Activities				
Loss and comprehensive loss	\$ (467,858)	\$ (726,496)	\$ (476,862)	\$ (1,570,272)
<i>Adjustments for:</i>				
Depreciation and amortization	419,588	552,718	838,854	1,121,288
Amortization of transaction costs related to debt financing	43,738	11,694	9,536	45,218
Foreign currency loss (gain)	24	(34,934)	101,603	(78,455)
Stock based compensation	217,029	136,132	240,624	161,482
Interest accretion	14,414	55,386	49,616	157,005
	<u>227,935</u>	<u>(5,500)</u>	<u>763,371</u>	<u>(163,735)</u>
<i>Changes in non-cash working capital balances</i>				
Accounts receivable	298,479	407,402	(64,223)	262,742
Prepaid expenses	116,010	62,369	(95,605)	(48,880)
Inventory	3,400	6,329	7,272	23,596
Deferred costs	9,197	14,996	9,197	27,340
Other receivables	(42,828)	(20,264)	59,602	(15,020)
Accounts payable and accrued liabilities	(534,111)	(196,598)	(181,642)	(767,153)
Deferred revenue	204,621	(248,288)	770,489	(199,631)
Cash flows provided by (used in) operating activities	<u>282,703</u>	<u>20,446</u>	<u>1,268,462</u>	<u>(880,741)</u>
Cash flow from investing activities				
Purchase of property and equipment	(13,927)	(12,806)	(68,315)	(29,052)
Capitalized development costs	(201,490)	-	(453,876)	-
Cash flows used in investing activities	<u>(215,418)</u>	<u>(12,806)</u>	<u>(522,191)</u>	<u>(29,052)</u>
Cash flow from financing activities				
Issuance of common shares (net of costs)	(7,001)	-	1,243,119	-
Proceeds from Term Loan (net of costs)	1,887,625	-	1,887,625	-
Proceeds from convertible debt financing (net of costs)	2,017,373	-	2,017,373	-
Repayment of subordinated debt financing	(5,284,202)	-	(5,284,202)	-
Borrowing (repayment) under line of credit	840,000	-	840,000	-
Repayment of capital lease obligations	(71,069)	(59,742)	(140,059)	(136,130)
Cash flows provided by (used in) financing activities	<u>(617,274)</u>	<u>(59,742)</u>	<u>563,855</u>	<u>(136,130)</u>
Foreign exchange losses on cash held in foreign currency	(29,125)	(67,853)	(80,818)	(110,348)
Net increase / (decrease) in cash during the period	(579,114)	(52,102)	1,229,308	(1,045,923)
Cash and cash equivalents, beginning of period	3,606,669	2,477,741	1,798,247	3,514,056
Cash and cash equivalents, end of period	<u>\$ 3,027,555</u>	<u>\$ 2,357,786</u>	<u>\$ 3,027,555</u>	<u>\$ 2,357,786</u>

OVERALL PERFORMANCE, RESULTS OF OPERATIONS AND FINANCIAL CONDITION (Unaudited)

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, 2008	Dec 31, 2008	March 31, 2009	March 31, 2009	June 30, 2009	Sept 30, 2009	Dec 31, 2009	March 31, 2010	March 31, 2010	June 30, 2010	Sept 30, 2010
Recurring Revenue	\$13,088	\$ 4,045	\$ 3,746	\$14,531	\$ 3,564	\$ 3,341	\$ 3,342	\$ 2,849	\$ 13,096	\$2,843	\$2,723
Non-Recurring Revenue	5,788	511	971	3,934	566	585	1,010	1,324	3,485	1,559	1,491
Revenue	18,876	4,556	4,717	18,465	4,130	3,926	4,352	4,173	16,581	4,401	4,214
Gross Profit	13,706	3,272	3,305	13,410	2,937	2,818	3,314	3,169	12,238	3,533	3,327
Expenses	19,957	4,022	3,962	16,820	3,508	3,327	3,384	3,474	13,693	3,360	3,578
EBITDA Income (Loss)	(3,526)	(34)	9	(719)	24	180	593	406	1,203	616	386
Operating Gain / (Loss) for the Period	(6,250)	(750)	(656)	(3,410)	(570)	(509)	(70)	(306)	(1,455)	173	(251)
Loss and Comprehensive Loss	(12,811)	(876)	(1,004)	(4,632)	(843)	(727)	(350)	(1,524)	(3,444)	(9)	(468)
Loss and Comprehensive Loss per Common Share	\$(0.19)	\$ (0.01)	\$ (0.01)	\$ (0.07)	\$ (0.01)	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.05)	\$(0.00)	\$(0.01)
Weighted Avg. # of Common Shares	66,228	67,667	67,845	67,845	69,322	70,535	70,535	70,535	70,232	72,809	76,311
Total Assets	\$23,992	\$ 20,078	\$ 17,906	\$17,906	\$16,413	\$15,170	\$14,714	\$ 14,651	\$ 14,651	\$16,867	\$15,718
Total Long Term Liabilities	\$ 6,948	\$ 6,234	\$ 6,517	\$ 6,517	\$ 6,309	\$ 5,751	\$ 6,285	\$ 7,212	\$ 7,212	\$7,229	\$5,185