

# **NEWS RELEASE**

For Immediate Release June 20, 2011

## **QHR EARNS \$976,808 IN RECORD 2011 Q1 FINANCIAL RESULTS**

**KELOWNA, BC** – (**TSX-V: QHR**) QHR Technologies Inc. ("QHR" or the "Company") a leader in the Canadian Healthcare Information Technology sector, is pleased to announce today the release of its first quarter financial statements for March 31, 2011. Total revenue for the quarter was \$6.48 million, an all-time record for the company, and an increase of 39% over the \$4.66 million reported in the same 2010 period. The Enterprise Management Solutions ("EMS") division led the way by reporting record revenue of \$4.01 million. The ("Hosting") division had revenues of \$0.63 million, up 62% over the \$0.39 million in the same prior year period.

Earnings for the quarter were 976,808 or 0.02 per share compared to a loss of 324,978 or (0.01) for the comparative period in 2010.

## HIGHLIGHTS

- Revenue for the quarter was \$6.48 million compared to \$4.66 million in 2010, a 39% increase.
- The EMS division reached \$4.01 million in revenue based on additional licensing and services to existing and new clients. This is an increase of 64% over the same period last year of \$2.45 million.
- The Hosting division had revenue of \$0.63 million, up 62% over the same period last year.
- The EMS and Hosting divisions and the Company as a whole had record revenues in Q1, 2011.
- Earnings before amortization, stock-based compensation, interest expense and foreign exchange were \$1.43 million compared to \$0.24 for the same period in 2010.
- The Company reported cash and other current assets as \$13.07 million compared to \$4.63 million at Q1 2010.
- The Company's first quarter Financial Statements and comparatives were prepared under IFRS which involved the assistance of external consultants and the Company's auditors.

## Revenues

The company recorded \$6.48 million in revenue for the three months ending March 31, 2011 compared to \$4.66 million for the three months ending March 31, 2010 an increase of 39%.

The EMS division revenue for the first quarter was \$4.01 million compared to \$2.45 million for the same period last year an increase of 64%. This increase was largely due to securing new licensing agreements as well as additional services with new and existing clients.

The EMR division revenue for the first quarter was \$1.84 million which is similar to the comparable period last year and was largely driven by continued recurring revenue from our Accuro® EMR software system.

The Hosting division had revenues of \$0.63 million which was 62% higher than the \$0.39 million in Q1, 2010.

## **Operating Expenses**

Operating expenses including cost of goods sold were \$5.06 million for the three months ending March 31, 2011 compared to \$4.42 million for the same period in 2010, an increase of 14%. The increase in operating expenses is due to professional and consulting fees associated with IFRS conversion, additional expenses relating to increased marketing activities, and variable expenses as a result of additional revenues for the quarter.

March 31, 2011	EMS	EMR	Hosting	Corporate	Total
Revenues	\$ 4,005,214	\$ 1,844,808	\$ 631,879	\$ -	\$ 6,481,901
Operating expenses	2,022,189	1,380,031	596,356	1,057,160	5,055,736
Earnings before the undernoted	1,983,025	464,777	35,523	(1,057,160)	1,426,165
Stock-based compensation	23,425	12,242	2,439	-	38,106
Amortization of property and					
equipment	40,352	31,308	62,209	-	133,869
Amortization of intangible assets	105,860	185,133	-	-	290,993
Interest expense	10,600	15,544	4,086	-	30,231
(Gain) loss on exchange	4,715	136	(2)	-	4,849
Earnings before income taxes	1,798,073	220,414	(33,210)	(1,057,160)	928,117
Income tax recovery, net					(48,691)
Net earnings					\$ 976,808

March 31, 2010	EMS	EMR	Hosting	Corporate	Total
Revenues	\$ 2,446,545	\$ 1,823,796	\$ 391,605	\$ -	\$ 4,661,946
Operating expenses	2,230,987	967,501	541,813	680,730	4,421,031
Earnings before the	215,558	856,295	(150,208)	(680,730)	240,915
undernoted					
Stock-based compensation	8,360	-	1,204	-	9,564
Amortization of property and					
equipment	55,478	51,939	19,398	-	126,815
Amortization of intangible					
assets	104,965	167,972	2,200	-	275,137
Interest expense	27,711	116,716	4,863	-	149,290
Loss on foreign exchange	-	4,805	282	-	5,087
Loss before income taxes	19,044	514,863	(178,155)	(680,730)	(324,978)
Income taxes					-
Net loss					\$ (324,978)

#### **Other Expenses**

Other expenses including stock-based compensation, amortization, interest and foreign exchange were \$0.50 million for the three months ending March 31, 2011 compared to \$0.56 million for the same period in 2010, a decrease of 11%. The decrease in operating expenses is largely due to a reduction of interest costs from eliminated long-term debt.

#### Net Earnings

Before income tax recovery, earnings for the three months ended March 31, 2011 were \$0.93 million compared to losses of \$0.33 million for the same period last year. The net earnings for the year were \$0.98 million compared to a net loss of \$0.33 million in 2010, an increase of \$1.31 million or 397%. The increase in earnings is attributed to substantially increase licensing agreements in the EMS division than in the prior year period in 2010.

For a more complete business and financial profile of the Company, management encourages interested parties to visit the Company's website: <u>www.QHRtechnologies.com</u>

## On behalf of the Board of Directors,

Al Hildebrandt President and CEO

**Conference Call Details:** The Company executives will host a conference call at 2:00 PM EST (11:00 PDT) Tuesday, June 21, 2011 to discuss the results of the Company for the 2011 Q1 financial results. To listen to the conference call, please dial 647-427-7450 (Toronto) or 778-371-9827 (Vancouver).

### ABOUT QHR TECHNOLOGIES INC.

QHR now operates three business units in distinct markets:

The Enterprise Management Software ("EMS") division specializes in workforce management software, which consists of integrated payroll, staff scheduling and human resource software, and in customized financial management software built on the Microsoft Dynamics GP platform. These products are targeted at complex healthcare, social services and public safety markets.

The Electronic Medical Records ("EMR") division offers a suite of medical software modules that provides computer-based medical records for family physicians, medical specialists, and surgeons, as well as administrative modules for billing and patient scheduling, that is a key component of the move throughout Canada to provide electronic healthcare records for all Canadians.

The Hosting division specializes in EMR ASP Hosting solutions both on-site and off-site, which consist of custom application hosted solutions, exchange email hosting, office software packages, mobile messaging services, server archiving and many other custom solutions and services. These solutions are targeted at EMR clients looking for an enhanced ASP option, required by some provincial governments.

#### Legal Notice Regarding Forward Looking Statements

This news release may contain "forward looking statements" within the meaning of applicable Canadian securities legislation. These statements are subject to risks that may cause the actual results to be materially different in future periods from those expressed or implied by such forward looking statement. The Company is not aware of any Forward looking statements in this news release. QHR is a technology business development enterprise where investment and product enhancements must be carefully managed to achieve long-term revenue growth and profitability. It is our policy not to update forward looking statements. Further information on the Company is available at <u>www.sedar.com</u>.

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#### For further information, please contact:

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