

NEWS RELEASE

For Immediate Release
August 23, 2012

QHR REPORTS 2012 SECOND QUARTER 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 the release of its unaudited condensed interim consolidated financial statements for the three months ended June 30, 2012.

The Company recorded a new quarterly record revenue level for its Electronic Medical Records (“EMR”) division of \$4,200,566. The Enterprise Management Solutions (“EMS”) division recorded revenue in the quarter of \$2,735,535. On a consolidated basis the Company recorded second quarter revenue of \$6,936,101 an increase of \$1,705,596 or 33% over the \$5,230,505 recorded for the same period in 2011.

HIGHLIGHTS:

- The Company on a consolidated basis recorded second quarter revenue of \$6,936,101 an increase of \$1,705,596 or 33% over the \$5,230,505 recorded for the same period in 2011.
- The EMR division recorded a new quarterly revenue record of \$4,200,566.
- Recurring revenue is now at \$17.2 million on an annualized base.
- Backlog of contracted EMR conversion services to AccuroEMR as at June 30th 2012 is approximately \$1.2 million. The majority of which is expected to be realized and completed by year end.
- EBITDA⁽¹⁾ for the second quarter was \$353,765 compared to \$610,543 in Q2 2011
- Earnings for the second quarter were a loss of \$104,598 compared to earnings of \$112,986 in 2011.
- As at June 30, 2012, the Company is one of 12 EMR vendors to pass the OntarioMD Specification 4.0 certification to be funding eligible in Ontario.
- The EMR division has over 9,000 physicians as clients across Canada, making QHR the largest EMR vendor in Canada.

“We continue to lead the way in quarterly revenue growth with a 33% increase in quarter over quarter growth and a 22% growth for the first 6 months of 2012 compared to the first six months of 2011. Our 5 year compound annual growth rate is 35%,” said Al Hildebrandt, QHR Technologies President & CEO. “As we continue to focus on delivering high quality products to our clients, our recurring revenue base continues to grow. Our recurring revenue has now reached \$17.2 million on an annualized basis.”

The following table summarizes QHR Technologies results in the categories specified below over the past 6 quarters (unaudited; dollar amounts in millions):

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Revenues	6.94	7.39	6.40	5.50	5.23	6.48
EMR Revenues	4.20	3.85	3.84	2.70	2.60	2.48
EMS Revenues	2.74	3.54	2.81	2.80	2.63	4.00
EBITDA ⁽¹⁾	0.35	1.04	0.56	0.68	0.61	1.43

Revenues

The Company recorded \$6,936,101 in revenue for the three months ending June 30, 2012 compared to \$5,230,505 for the three months ending June 30, 2011 an increase of 33%.

The EMR division revenue for the second quarter was \$4,200,566 compared to \$2,596,446 for the same period last year an increase of 62%. This increase is attributable to continued organic growth in recurring revenue in addition to added revenue through the October 11, 2011 acquisition of Healthscreen.

The EMS division revenue for the second quarter was \$2,735,535 compared to \$2,634,059 for the same period last year an increase of 4%.

Operating Expenses

Operating expenses including cost of goods for the three months ended June 30, 2012 were \$6,582,336 compared to \$4,619,962 for the same period in 2011, an increase of \$1,962,374. The increase in operating expenses is attributable to the increased headcount of Healthscreen and our Ontario growth initiatives, the addition of Toronto office space expenses, data center expansion and acquisition expenses.

Other Expenses

Other expenses including stock-based compensation, amortization, interest and foreign exchange were \$725,828 for the three months ending June 30, 2012 compared to \$479,930 for the same period in 2011. The difference is mainly due to increased amortization relating to intangible assets from acquisitions.

Earnings

EBITDA⁽¹⁾ for the three months ended June 30, 2012 was \$353,765 compared to \$610,543 for the same period in 2011. The net earnings for the period ended June 30, 2012 was a loss of \$104,598 compared to net earnings of \$112,986 in 2011, a decrease of \$217,584. This decrease in EBITDA and earnings in the quarter is largely attributable to the increase in operating expenses as highlighted above.

Cash Position

The Company ended the second quarter with cash on hand of \$422,006 compared to \$6,504,269 for the same period in 2011. This decrease in cash is due to the Healthscreen acquisition during the second half of 2011 and also due to a large government funded contract in the amount of \$1.6 million that was over 90 days old and unpaid as at June 30th, 2012 but was paid on July 17th 2012.

"Our continued growth of recurring revenue, which is now annualizing at \$17.2 million is bringing us closer to our goal of having the recurring revenue meet and ultimately exceed our fixed cost base" said Jerry Diener, CFO of QHR Technologies.

Net Earnings and Comprehensive income for the three months ended June 30, 2012 is as follows:

Three months ended	June 30, 2012	June 30, 2011	Change	Percent
REVENUE	\$ 6,936,101	\$ 5,230,505	1,705,596	33%
OPERATING EXPENSES				
Cost of goods sold	662,055	422,396	239,659	57%
Service costs	4,450,309	2,435,606	2,014,703	83%
Selling and administrative expenses	1,469,972	1,761,960	(291,988)	(17)%
	6,582,336	4,619,962	1,962,374	42%
EBITDA ⁽¹⁾	353,765	610,543	(256,778)	(42)%
Stock-based compensation	71,854	37,622	34,232	91%
Amortization of property and equipment	137,359	124,178	13,181	11%
Amortization of intangible assets	502,497	293,603	208,894	71%
Interest expense	48,512	24,044	24,468	>102%
Gain on assets	(37,807)	-	(37,807)	100%
Loss on foreign exchange	3,413	483	2,930	>100%
	725,828	479,930	245,898	51%
(Loss) earnings before income taxes	(372,063)	130,613	(502,676)	(>100)%
Income taxes				
Current (recovery)	13,737	(50,373)	64,110	>100%
Deferred	(281,202)	68,000	(349,202)	(>100)%
	(267,465)	17,627	(285,092)	(>100)%
Net (loss) earnings and comprehensive income	\$ (104,598)	\$ 112,986	(217,584)	(>100)%

⁽¹⁾ EBITDA (earnings before interest, depreciation, taxes, amortization, stock-based compensation and foreign exchange) is a non-IFRS measure. Management believes that, in addition to net earnings, EBITDA is a useful complementary measure of pre-tax profitability and is commonly used by the financial and investment community for valuation purposes. However, EBITDA does not have a standardized meaning prescribed by IFRS. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of performance or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. QHR's method of calculating EBITDA may differ from the methods used by other entities and, accordingly, our EBITDA may not be comparable to similarly titled measures used by other entities.

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

On behalf of the Board of Directors,

Al Hildebrandt, President and CEO

Conference Call Details: The Company executives will host a conference call at 11:00 AM EST (8:00 AM PST) Thursday, August 23, 2012 to discuss the Company's 2012 second quarter financial results. To join the conference call, please dial Toll Free 888-231-8191, 647-427-7450 (Toronto), 778-371-9827 (Vancouver). **Conference ID: 23810496**

ABOUT QHR TECHNOLOGIES INC.

QHR operates two business units in distinct markets:

The Electronic Medical Records ("EMR") division offers a suite of medical software modules that provides computer-based medical records for over 9,000 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 company also hosts many of these clients in its hosting facilities across Canada.

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.

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. Risks that may prevent or delay the forward looking statements from coming to fruition include that we may not offer products that are acceptable to industry regulators or customers; competitors may offer better or cheaper products; we may not be able to raise sufficient capital to improve products to remain competitive; changing regulatory requirements may prevent our products from being sold as expected; we may not be able to attract or retain key personnel; our technology may become obsolete; orders could be cancelled or delayed and market factors may increase our costs more than expected. 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 except to the extent required under applicable securities laws. Further information on the Company is available at www.sedar.com or at the Company's website, www.QHRtechnologies.com.

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