

**NEWS RELEASE**

For Immediate Release  
November 9, 2012

**QHR REPORTS 2012 THIRD 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 September 30, 2012.

The Company continued to post quarterly revenue increases for its Electronic Medical Records (“EMR”) division by recording a record \$4,359,465 for the quarter. The Enterprise Management Software (“EMS”) division recorded revenue in the quarter of \$2,650,408. On a consolidated basis the Company recorded third quarter revenue of \$7,009,873 an increase of \$1,513,076 or 28% over the \$5,496,797 recorded for the same period in 2011.

**HIGHLIGHTS:**

- The Company on a consolidated basis recorded third quarter revenue of \$7,009,873 an increase of \$1,513,076 or 28% over the \$5,496,797 recorded for the same period in 2011.
- The EMR division recorded another quarterly revenue record of \$4,359,465.
- Recurring revenue is now at a record \$18.3 million on an annualized base.
- Backlog of contracted EMR conversion services to Accuro as at September 30<sup>th</sup> 2012 continues to be more than \$1.2 million. The majority of which is expected to be realized and completed by the end of Q4 2012.
- EBITDA<sup>(1)</sup> for the third quarter was \$442,338 compared to \$353,765 in Q2 2012, an increase of 25%
- Net Earnings for the third quarter were a loss of \$116,212 compared to earnings of \$149,324 in 2011.
- As at September 30, 2012, the Company is one of 12 EMR vendors to pass the OntarioMD Specification 4.1 certification to be funding eligible in Ontario.
- The EMR division has over 9,000 physicians as clients across Canada, making QHR the largest EMR physician based vendor in Canada.

“We continue to focus our efforts on not only revenue growth, but more importantly on increasing our margins. To that end we have completed the expense growth that was required to capitalize on our acquisition of Healthscreen and our growth into the Ontario market and are pursuing margin growth by way of efficiency improvements. Our ability to capitalize on scalability must go hand in hand with ongoing revenue growth”, said Al Hildebrandt, QHR Technologies President & CEO.

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

	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Revenues	7.01	6.94	7.39	6.40	5.50	5.23	6.48
EMR Revenues	4.36	4.20	3.85	3.84	2.70	2.60	2.48
EMS Revenues	2.65	2.74	3.54	2.81	2.80	2.63	4.00
EBITDA <sup>(1)</sup>	0.44	0.35	1.04	0.56	0.68	0.61	1.43

**Revenues**

The Company recorded \$7,009,873 in revenue for the three months ending September 30, 2012 compared to \$5,496,797 for the three months ending September 30, 2011 an increase of 28%.

Revenue continued its increase during the third quarter for the EMR division compared to the second quarter of 2012. Total revenue for the third quarter was \$7,009,873 compared to \$5,496,797 for the same period last year an increase of 28%. This increase is attributable to continued organic growth in one time and recurring revenue in addition to added revenue as a result of the October 11, 2011 acquisition of Healthscreen.

## Operating Expenses

Operating expenses including cost of goods for the three months ended September 30, 2012 were \$6,567,535 compared to \$4,819,521 for the same period in 2011, an increase of \$1,748,014. The increase in operating expenses is attributable to the increased costs relating to the Healthscreen acquisition, 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 \$729,218 for the three months ending September 30, 2012 compared to \$422,799 for the same period in 2011. The largest component of increase is amortization due to the increase in intangible assets from acquisitions.

## Earnings

EBITDA<sup>(1)</sup> for the three months ended September 30, 2012 was \$442,338 compared to \$677,276 for the same period in 2011. The net earnings for the period ended September 30, 2012 was a loss of \$116,212 compared to net earnings of \$149,324 in 2011. 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 increased its cash position by ending the third quarter with cash on hand of \$1,017,353 compared to \$422,006 at June 30, 2012 and \$687,054 at September 30, 2011.

Net earnings (loss) and comprehensive income for the three months ended September 30, 2012 is as follows:

Three months ended	September 30, 2012	September 30, 2011	Change	Percent
REVENUE	\$ 7,009,873	\$ 5,496,797	1,513,076	28%
OPERATING EXPENSES				
Cost of goods sold	661,021	431,051	229,970	53%
Service costs	4,408,275	2,536,935	1,871,340	74%
Selling and administrative expenses	1,498,239	1,851,535	(353,296)	19%
	6,567,535	4,819,521	1,748,014	36%
EBITDA <sup>(1)</sup>	442,338	677,276	(234,938)	35%
Stock-based compensation	56,209	7,809	48,400	>100%
Amortization of property and equipment	164,189	146,651	17,538	12%
Amortization of intangible assets	469,113	354,266	114,847	32%
Interest expense	47,703	19,926	27,777	>100%
Gain on investments	-	(107,408)	107,408	100%
Gain on assets	(9,345)	-	(9,345)	100%
Loss on foreign exchange	1,349	1,555	(206)	13%
	729,218	422,799	306,419	72%
Earnings (loss) before income taxes	(286,880)	254,477	541,357	>100%
Income taxes				
Current (recovery)	-	84,153	(84,153)	>100%
Deferred (recovery)	(170,668)	21,000	(191,668)	>100%
	(170,668)	105,153	(275,821)	>100%
Net earnings (loss) and comprehensive income	\$ (116,212)	\$ 149,324	(265,536)	>100%

<sup>(1)</sup> 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. OHR'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.

## ***Open EC Technologies Inc. Acquisition***

On October 25th, 2012 the Company announced that it had completed the previously announced Plan of Arrangement (the "Arrangement") between QHR and Open EC Technologies Inc. ("Open EC"). The Company issued 4,480,355 common shares and \$880,434 cash to the former shareholders and option/warrant holders as consideration for all issued and outstanding securities of Open EC.

The final purchase price allocation will be completed after the assets valuations are finalized and will include management's consultation with an independent valuation specialist. The final valuation will be based on the actual net tangible and intangible assets of Open EC that existed on October 25, 2012. The Company has not completed its final allocation of excess purchase price to identifiable intangible assets and goodwill.

For a more complete business and financial profile of the Company, management encourages interested parties to visit the Company's website: [www.QHRtechnologies.com](http://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) Friday, November 9, 2012 to discuss the Company's 2012 third 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: 59552476**

### **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](http://www.sedar.com) or at the Company's website, [www.QHRtechnologies.com](http://www.QHRtechnologies.com).*

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