



**PRESS RELEASE**

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## **AMERICAN ACTIVITIES POST STRONG GROWTH**

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Montréal, May 12, 2008 – Logibec Groupe Informatique Ltd. (TSX: LGI) announced today the results of its quarter ended March 31, 2008. All monetary amounts are expressed in Canadian dollars.

### **HIGHLIGHTS**

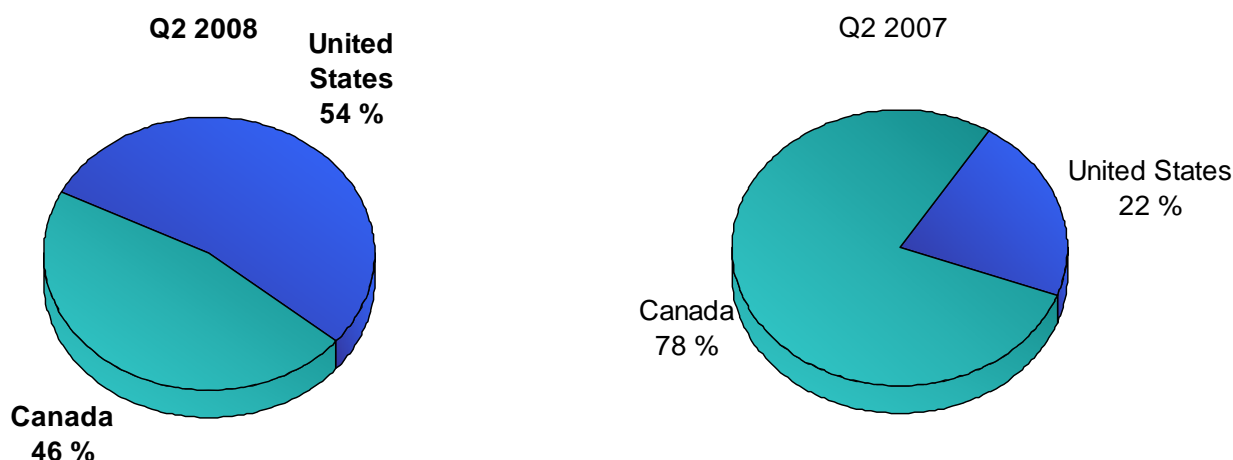
- Revenue up 50% for the second quarter ended March 31, 2008, to stand at \$18.5 million compared to \$12.3 million for the same period in the previous fiscal year.
- Recurring revenue up 75% for the quarter to stand at \$15.5 million or 84% of total revenue.
- Operating earnings up 11% or \$6.1 million compared to \$5.3 million for the same period in the previous fiscal year.
- Net earnings of \$1.8 million, or \$0.19 per share (\$0.19 per fully-diluted share) compared to net earnings of \$2.3 million, or \$0.26 per share (\$0.26 per fully-diluted share).
- Acquisition of the business activities and assets of QuickCARE Software Services L.P. ("QuickCARE") on January 1, 2008.

## OPERATING RESULTS

### REVENUE

Revenue for the second quarter of fiscal year 2008 stood at \$18.5 million, an increase of 50%, compared to \$12.3 million for the same period in the previous fiscal year. Revenue for the fiscal half year ended March 31, 2008 stood at \$31.6 million, representing an increase of 42%, compared to \$22.3 million for the same period in 2007.

### Segment Revenue



For the quarter ended March 31, 2008, revenue from American activities represented 54% of consolidated revenue compared to 22% of consolidated revenue for the same period in the previous fiscal year. This significant increase in revenue from the American segment is due to the inclusion of two major acquisitions, namely Achieve and QuickCARE, as well as to a decrease in Canadian revenue.

Segment revenue for the first half year of fiscal year 2008, is as follows:

- 52% for Canadian activities
- 48% for American activities

In line with the Company's geographic diversification strategy, the acquisitions of Achieve and QuickCARE strengthen the Company's American presence and sustain its revenue growth.

The Achieve and QuickCARE acquisitions have allowed MDI Achieve, Logibec's American subsidiary, to become the leading supplier, in terms of number of facilities, communities and sites served, of software designed for the eldercare sector in the United States. The Company is currently working on integrating the activities and companies acquired over the last year by focusing on delivering quality customer support, honoring commitments made to acquired clients by previous management teams, upgrading software packages to create an integrated solution and developing significant sales and operating expense synergies.

	<b>2008</b>	<b>2007</b>	<b>Variance</b>	<b>2008</b>	<b>2007</b>	<b>Variance</b>
	<b>3 months</b>	<b>3 months</b>		<b>6 months</b>	<b>6 months</b>	
(in thousands of dollars, except for percentages)						
<b>Revenue</b>						
Canada	<b>8,545</b>	9,648	-11%	<b>16,336</b>	17,055	-4%
United States	<b>9,928</b>	2,662	273%	<b>15,299</b>	5,224	193%
<b>Consolidated Revenue</b>	<b>18,473</b>	12,310	50%	<b>31,635</b>	22,279	42%
<b>Recurring Revenue</b>						
Canada	<b>6,881</b>	6,374	8%	<b>13,144</b>	12,718	3%
United States	<b>8,620</b>	2,678	222%	<b>13,333</b>	5,104	161%
<b>Consolidated Revenue</b>	<b>15,501</b>	9,052	71%	<b>26,477</b>	17,822	49%

### Revenue from Canadian activities

Revenue from Canadian activities for the second quarter of 2008 decreased by 11% compared to the same quarter in the previous fiscal year. This is explained in part by a decrease of \$1.6 million in non-recurring revenue, which is primarily due to a \$1.2 million decrease in special projects. The second quarter of 2007 was characterized by significant special projects associated with the processing of pay equity measures for the health and social services network in Quebec. On the other hand, recurring revenue from new implementations of our eClinibase, Med-Echo Plus, Espresso Payroll/HRM and Espresso FMS/MMS software increased by 8% in the second quarter of 2008.

For the first half year of fiscal year 2008, revenue from Canadian activities stood at \$16.3 million, or a decrease of 4% compared to the same period in the previous fiscal year. Recurring revenue for this six-month period increased 3% to stand at \$13.1 million. The strong decrease in non-recurring Canadian revenue during the second quarter explains the over-all decrease in revenue from Canadian activities for the first half of the fiscal year.

As at March 31, 2008, the Company had \$1.8 million in current deferred professional services revenue and \$3.9 million in long-term deferred professional services revenue in accordance with its revenue recognition policy. This revenue as well as the related costs will be recognized over the average term of the related agreements which is generally three years.

### Revenue from American activities

During the second quarter of 2008, revenue from American activities tripled to stand at \$9.9 million compared to \$2.7 million last year. The increase of \$7.2 million or 273% is mainly due to the business activities added during the fiscal year following the acquisition of Achieve and QuickCARE and, on a smaller scale, to the activities added following the acquisitions of assets from Choice Systems Enterprise, Inc., and of REPS Software Inc. during fiscal year 2007.

By excluding the activities acquired between the end of the second quarter of 2007 and the second quarter of 2008, namely activities acquired from Choice Systems, REPS Software, Achieve and QuickCARE, organic growth of our American activities can be determined. Between the second quarter of 2007 and the second quarter of 2008, it was 17%. However, the appreciation of the Canadian dollar cancels out this growth when the American operating results are converted into Canadian dollars.

For the first half of fiscal year 2008, revenue from American activities stood at \$15.3 million, or an increase of 193% compared to the same period in 2007. Recurring revenue for the first six months of 2008 increased by 160% to stand at \$13.3 million.

As at March 31, 2008, the Company had \$1.0 million in current deferred software license revenue and \$2.1 million in long-term deferred software license revenue in accordance with its revenue recognition policy. This revenue as well as the related costs, namely commissions granted to representatives and agents, will be recognized over the term of the related agreements which is generally three or five years.

## OPERATING EXPENSES

Operating expenses for the quarter, which are composed of service costs and selling and administrative expenses, stood at \$12.4 million, representing an increase of \$5.4 million, or 77%, compared to the expenses recorded during the same period in the previous fiscal year. Operating expenses for the fiscal half year stood at \$21.1 million compared to \$12.9 million recorded for same period in the previous fiscal year. These significant increases are due to the inclusion of activities acquired over the last year from Choice Systems, REPS Software, Achieve and QuickCARE.

It should be noted that operating expenses of the second quarter include non-recurring expenses in the amount of \$0.3 million. These expenses are composed of professional services incurred for the analysis of two acquisition opportunities that Management decided to abandon, the optimization of resources throughout our five American offices and the reduction of the dependency of acquired activities on third-party products and services.

Service costs and gross margin. Service costs for the quarter increased by \$3.9 million or 83%. The gross margin for the quarter increased 30% to stand at \$9.9 million compared to \$7.6 million for the gross margin recorded for the same period in the previous fiscal year. Service costs for the fiscal half year increased by \$5.7 million, or 65%. The gross margin for the fiscal half year increased by 27% to stand at \$17.1 million compared to \$13.5 million recorded for the same period in the previous fiscal year. The variance in service costs and gross margin is presented in the following table:

	2008	2007		2008	2007	
	3 months	3 months	Variance	6 months	6 months	Variance
(in thousands of dollars, except for percentages)						
<b>Service Costs</b>						
Canada	3,336	3,654	-9%	6,527	6,762	-3%
United States	5,224	1,027	409%	8,003	2,062	288%
<b>Consolidated Service Costs</b>	<b>8,560</b>	<b>4,681</b>	<b>83%</b>	<b>14,530</b>	<b>8,824</b>	<b>65%</b>
<b>Gross Margin</b>						
Canada	5,209	5,994	-13%	9,809	10,293	-5%
	61%	62%		60%	60%	
United States	4,704	1,635	188%	7,296	3,162	131%
	47%	61%		48%	61%	
<b>Consolidated Gross Margin</b>	<b>9,913</b>	<b>7,629</b>	<b>30%</b>	<b>17,105</b>	<b>13,455</b>	<b>27%</b>
	54%	62%		54%	60%	

Canadian service costs decreased by 9% for the second quarter of 2008 compared to the same period in the previous year. This decrease is 3% for the fiscal half year. This change is mainly due to the decrease in professional service costs recognized and the cost of equipment sold during the quarter.

The significant increase of 409% in American service costs is mainly attributable to the inclusion of previously mentioned activities acquired over the last twelve months. The increase is 288% for the fiscal half year.

Selling, general and administrative expenses. Selling, general and administrative expenses were \$3.8 million or 20.7% of revenue for the quarter, compared to \$2.3 million or 18.7% of revenue for the same period last year. For the fiscal half year, selling, general and administrative expenses were \$6.6 million or 20.7% of revenue compared to \$4.1 million or 18.2% of revenue. The increase of \$1.5 million for the quarter is explained by a decrease of \$0.1 million in selling, general and administrative expenses in Canada and an increase of \$1.6 million in these expenses in the United States.

The increase in American selling, general and administrative expenses is explained by activities added following the acquisition of REPS Software, Achieve and QuickCARE and also by a portion of the previously mentioned non-recurring expenses in the amount of \$0.3 million.

Stock-based compensation. There are no expenses related to stock-based compensation for the first quarter and the first half of the fiscal year compared to \$29,648 and \$59,296 respectively for the same periods in the previous fiscal year. These expenses were related to stock options granted on April 1, 2005. Since that date, all these stock options can be exercised and therefore no expenses remain to be recognized. As of the date of this MD&A, Management does not intend to grant any additional stock options.

## **OPERATING EARNINGS**

Operating earnings before depreciation, amortization, income from temporary investments, financial expenses and taxes for the quarter ended March 31, 2008 stood at \$6.1 million, representing an increase of \$0.8 million or 15% over the same period last year. For the fiscal half year, the operating earnings before depreciation, amortization, income on temporary investments, financial expenses and taxes stood at \$10.6 million, representing an increase of \$1.2 million or 13% compared to the same period last year.

In the course of the due diligence review conducted for the acquisition of Achieve's assets and business activities, the Company determined a need for a restructuring of that company's financial situation. The restructuring plan implemented by the Company allowed these activities to show positive operating earnings during the second quarter of 2008. Management believes that operating earnings for these activities will continue to improve over the upcoming quarters given the measures that were implemented following the acquisition.

## **AMORTIZATION OF FIXED ASSETS, INTANGIBLE ASSETS AND OTHER LONG-TERM ASSETS**

Amortization of fixed assets, intangible assets and other long-term assets for the quarter ended March 31, 2008 rose to \$2.9 million, representing an increase of 77% compared to the same period in the previous fiscal year. For the fiscal half year, the amortization of fixed assets, intangible assets and other long-term assets stood at \$4.8 million, or an increase of 50% compared to the same period in the previous fiscal year. These increases are mainly attributable to the amortization of the customer relationships and technologies acquired from Choice Systems, REPS Software, Achieve and QuickCARE.

## **FINANCIAL EXPENSES**

Financial expenses for the quarter increased by \$0.6 million compared to financial expenses for the same period last year. For the fiscal half year, financial expenses were \$1.2 million. Financial expenses for the

second quarter and first half of fiscal year 2008 were mainly composed of interest charges related to Canadian credit facilities obtained to finance the acquisitions of Achieve and QuickCARE, interest charges on the balance of purchase price for these acquisitions and amortization of deferred financing charges.

## **NET EARNINGS**

Net earnings for the second quarter ended March 31, 2008 stood at \$1.8 million, or \$0.19 per share, compared to \$2.3 million, or \$0.26 per share, for the same period in the previous fiscal year. For the fiscal half year, the net earnings stood at \$3.3 million, or \$0.34 per share, compared to \$3.8 million, or \$0.42 per share, for the same period in the previous fiscal year.

## **LIQUIDITY AND SOURCES OF FINANCING**

### **OPERATING ACTIVITIES**

For the second quarter ended March 31, 2008, operating activities used cash flows of \$0.6 million, whereas these activities, for the same period in the previous fiscal year, used cash flows of \$1.1 million. This decrease is mainly explained by the changes in non-cash working capital items.

### **INVESTING ACTIVITIES**

The Company used \$21.0 million for investing activities during the quarter ended March 31, 2008. Of this amount, \$19.5 million was used to acquire QuickCARE and \$0.9 million corresponds to capitalized software development costs. The difference, \$0.6 million, was used for capital expenditures for both the Canadian and American operations.

### **FINANCING ACTIVITIES**

The Company borrowed \$29.2 million through its new Canadian secured credit facilities of \$40.0 million mainly to finance the acquisition of QuickCARE and repay a promissory note of \$4.0 million bearing interest at 8% and maturing on June 30, 2008. The promissory note was repaid in advance since its interest rate was higher than the interest rate charged on the Canadian credit facilities. During the quarter, the Company also made repayments of \$1.3 million on its Canadian credit facilities.

During the second quarter, the Company repurchased 84,100 common shares through a normal course issuer bid announced on February 13, 2008. These shares were repurchased for cash consideration of \$1.7 million at an average price per share of \$20.43.

Subsequently to the end of the quarter, the Company repaid a second promissory note of \$4.0 million bearing interest at 8% and maturing on June 30, 2009. This repayment was made by borrowing on the Canadian credit facilities. After the end of the quarter, the Company also made repayments totaling \$11.3 million on its Canadian credit facilities. These repayments were made possible by the collection of amounts invoiced in Canada for annual service contracts.

## **ABOUT LOGIBEC**

**Logibec** is among the fastest-growing North American companies specializing in the development, marketing, implementation and support of information systems for the health and social services sector. Since its acquisition of MDI Technologies, Inc. (MDI), in June 2005, Logibec has continued to expand its American activities with the recent acquisition of the assets of Achieve Healthcare Technologies and QuickCARE Software Services and is now a leader in the U.S. with a customer base of approximately 7,000 facilities. Its American activities are now managed under the name MDI Achieve. Logibec's services are delivered by an experienced team of approximately 430 employees. The Company has its head office in Montreal as well as offices in Quebec City, Edmonton, St. Louis, Minneapolis, Dallas, Tampa and Smithfield, Virginia.

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Source:

### **LOGIBEC GROUPE INFORMATIQUE LTD.**

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This news release contains forward-looking statements reflecting Logibec Groupe Informatique Ltd. objectives, estimates and expectations. Such statements may be marked by the use of verbs such as "believe", "anticipate", "estimate" and "expect" as well as the use of the future or conditional tense. By their very nature, such statements involve risks and uncertainty. Actual results may differ significantly from the Company's forecasts or expectations.

**LOGIBEC GROUPE INFORMATIQUE LTD.**  
**CONSOLIDATED STATEMENTS OF EARNINGS**  
(unaudited)

	Three months ended March 31		Six months ended March 31	
	2008	2007	2008	2007
	\$	\$	\$	\$
				(As restated)
<b>Revenue</b>	<b>18,472,907</b>	12,309,442	<b>31,635,355</b>	22,279,009
Operating expenses				
Service costs	<b>8,559,778</b>	4,681,529	<b>14,530,819</b>	8,823,960
Selling and administrative expenses	<b>3,825,964</b>	2,296,164	<b>6,553,119</b>	4,062,720
Stock-based compensation	-	29,648	-	59,296
	<b>12,385,742</b>	7,007,341	<b>21,083,938</b>	12,945,976
Earnings before the following items	<b>6,087,165</b>	5,302,101	<b>10,551,417</b>	9,333,033
Amortization of fixed assets	<b>415,644</b>	262,881	<b>718,722</b>	530,083
Amortization of intangible assets and other long-term assets	<b>2,466,645</b>	1,363,226	<b>4,060,586</b>	2,654,420
Loss on disposal of fixed assets	<b>11,259</b>	120,281	<b>11,259</b>	124,691
Income on temporary investments	<b>(13,867)</b>	(9,848)	<b>(51,335)</b>	(33,549)
Financial expenses	<b>612,401</b>	51,666	<b>1,212,232</b>	32,878
Earnings before income taxes	<b>2,595,083</b>	3,513,895	<b>4,599,953</b>	6,024,510
Income taxes	<b>746,000</b>	1,209,000	<b>1,345,000</b>	2,252,000
<b>Net earnings</b>	<b>1,849,083</b>	2,304,895	<b>3,254,953</b>	3,772,510
<b>Net earnings per share</b>				
Basic	<b>0.19</b>	0.26	<b>0.34</b>	0.42
Diluted	<b>0.19</b>	0.26	<b>0.34</b>	0.42
<b>Weighted average number of common shares outstanding</b>				
Basic	<b>9,901,959</b>	8,909,576	<b>9,443,479</b>	8,920,772
Diluted	<b>9,971,951</b>	8,975,504	<b>9,516,974</b>	8,983,090

**LOGIBEC GROUPE INFORMATIQUE LTD.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(unaudited)

	Three months ended March 31		Six months ended March 31	
	2008	2007	2008	2007
	\$	\$ (As restated)	\$	\$ (As restated)
Net earnings	1,849,083	2,304,895	3,254,953	3,772,510
Net change in unrealized losses on translation of financial statements of self-sustaining subsidiaries	2,524,705	(291,287)	2,494,458	1,010,677
<b>Comprehensive income</b>	<b>4,373,788</b>	<b>2,013,608</b>	<b>5,749,411</b>	<b>4,783,187</b>

**LOGIBEC GROUPE INFORMATIQUE LTD.**  
**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**  
(unaudited)

	Three months ended March 31		Six months ended March 31	
	2008	2007	2008	2007
	\$	\$ (As restated)	\$	\$ (As restated)
Retained earnings, beginning of year as previously reported	16,674,836	14,107,105	15,268,966	12,436,490
Restatement	-	(1,506,000)	-	(1,303,000)
Beginning of year, as restated	16,674,836	12,601,105	15,268,966	11,133,490
Net earnings	1,849,083	2,304,895	3,254,953	3,772,510
	18,523,919	14,906,000	18,523,919	14,906,000
Premium on redemption of common shares	(1,289,515)	(1,689,957)	(1,289,515)	(1,689,957)
<b>Retained earnings, end of year</b>	<b>17,234,404</b>	<b>13,216,043</b>	<b>17,234,404</b>	<b>13,216,043</b>

**LOGIBEC GROUPE INFORMATIQUE LTD.**  
**CONSOLIDATED BALANCE SHEETS**  
**(unaudited)**

	March 31, 2008	September 30, 2007
	\$	\$ (As restated)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	3,776,012	6,974,398
Accounts receivable	8,279,879	4,820,699
Income tax credits receivable	1,716,218	1,565,451
Income taxes receivable	1,127,549	2,226
Future income taxes	860,620	483,000
Other current assets	2,968,516	1,526,715
	<b>18,728,794</b>	<b>15,372,489</b>
Fixed assets		
Goodwill	4,618,647	3,535,084
Intangible assets and other long lived assets	61,559,813	33,836,280
	<b>54,413,435</b>	<b>24,336,051</b>
	<b>139,320,689</b>	<b>77,079,904</b>
<b>Liabilities</b>		
Current liabilities		
Bank overdraft	246,041	-
Accounts payable and accrued liabilities	10,199,774	4,907,036
Income taxes	213,799	2,424,369
Future income taxes	63,000	63,000
Current portion of long-term debt	3,506,975	1,066,406
	<b>14,229,589</b>	<b>8,460,811</b>
Deferred revenue		
	<b>8,024,413</b>	<b>14,428,909</b>
	<b>22,254,002</b>	<b>22,889,720</b>
Long-term deferred revenue		
	<b>6,899,834</b>	<b>6,072,968</b>
Long-term debt		
	<b>40,291,660</b>	<b>5,277,742</b>
Future income taxes		
	<b>5,940,742</b>	<b>5,815,243</b>
	<b>75,386,238</b>	<b>40,055,673</b>
Commitments and contingencies		
<b>Shareholders' equity</b>		
Share capital	50,230,922	27,780,598
Contributed surplus	474,368	474,368
Retained earnings		
	<b>17,234,404</b>	<b>15,268,966</b>
Accumulated other comprehensive loss		
	<b>(4,005,243)</b>	<b>(6,499,701)</b>
	<b>13,229,161</b>	<b>8,769,265</b>
	<b>63,934,451</b>	<b>37,024,231</b>
	<b>139,320,689</b>	<b>77,079,904</b>

**LOGIBEC GROUPE INFORMATIQUE LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(unaudited)**

	Three months ended March 31		Six months ended March 31	
	2008	2007	2008	2007
	\$	\$ (As restated)	\$	\$ (As restated)
<b>Operating activities</b>				
Net earnings	1,849,083	2,304,895	3,254,953	3,772,510
Adjustments for:				
Amortization of fixed assets	415,644	262,881	718,722	530,083
Amortization of intangible assets and other long-term assets	2,466,645	1,363,226	4,060,586	2,654,420
Amortization of deferred financing costs	19,552	-	288,779	-
Stock-based compensation	-	29,648	-	59,296
Loss on disposal of fixed assets	11,259	120,281	11,259	124,691
Future income taxes	-	-	(300,115)	-
	4,762,183	4,080,931	8,034,184	7,141,000
Changes in non-cash operating working capital items	(5,333,530)	(5,213,400)	(12,400,805)	(10,276,881)
	(571,347)	(1,132,469)	(4,366,621)	(3,135,881)
<b>Investing activities</b>				
Business acquisition	(19,556,826)	(2,716,380)	(39,525,221)	(2,716,380)
Proceeds from disposal of fixed assets	-	17,465	-	17,465
Acquisition of fixed assets	(571,167)	(188,763)	(665,911)	(356,675)
Increase in intangible assets and other long-term assets, net of investment tax credits	(893,112)	(402,204)	(1,609,078)	(895,573)
	(21,021,105)	(3,289,882)	(41,800,210)	(3,951,163)
<b>Financing activities</b>				
Increase in long-term debt	29,250,000	7,728,540	56,000,000	7,728,540
Repayment of long-term debt	(5,325,764)	(1,981,006)	(33,960,802)	(1,981,006)
Credit facilities financing costs	(38,802)	-	(358,483)	-
Redemption of shares	(1,718,098)	(2,040,473)	(1,718,098)	(2,040,473)
Issuance of shares	-	-	22,878,906	-
	22,167,336	3,707,061	42,841,523	3,707,061
Effect of exchange rate changes on cash denominated in foreign currency	21,693	15,257	(119,119)	5,329
Increase (decrease) in cash and cash equivalents	596,577	(700,033)	(3,444,427)	(3,374,654)
Cash and cash equivalents, beginning of year	2,933,394	423,812	6,974,398	3,098,433
<b>Cash and cash equivalents, end of year</b>	<b>3,529,971</b>	<b>(276,221)</b>	<b>3,529,971</b>	<b>(276,221)</b>