

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JUNE 30, 2006**

■ HEALTHCARE SOLUTIONS



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

	Three months ended June 30		Nine months ended June 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Revenue	11,641,016	7,292,692	32,780,933	22,425,172
Operating expenses				
Services costs (Note 4)	4,794,466	3,590,656	12,838,484	10,329,109
Selling and administrative expenses	2,089,410	877,257	6,357,691	3,424,004
Stock-based compensation	29,648	69,762	207,536	69,762
	6,913,524	4,537,675	19,403,711	13,822,875
Earnings before the following items	4,727,492	2,755,017	13,377,222	8,602,297
Amortization of fixed assets	281,359	230,096	821,164	656,664
Amortization of intangible assets and other long-term assets	1,409,792	839,819	4,046,181	2,769,389
Loss on disposal of fixed assets	17,587	-	36,080	-
Income on temporary investments	(24,655)	(12,851)	(67,181)	(39,734)
Financial expenses	184,075	155,859	571,246	335,849
Earnings before income taxes	2,859,334	1,542,094	7,969,732	4,880,129
Income taxes	1,123,000	442,999	2,793,000	1,444,499
Net earnings	1,736,334	1,099,095	5,176,732	3,435,630
Net earnings per share (Note 6)				
Basic	0.19	0.15	0.58	0.49
Diluted	0.19	0.14	0.57	0.46
Weighted average number of common shares outstanding (Note 6)				
Basic	9,020,379	7,219,445	8,980,601	7,045,386
Diluted	9,069,486	7,644,664	9,060,455	7,429,020

The notes to the financial statements are an integral part of the consolidated financial statements.

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

	Three months ended June 30		Nine months ended June 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Retained earnings, beginning of period	12,297,118	7,256,736	9,445,516	5,148,891
Net earnings	1,736,334	1,099,095	5,176,732	3,435,630
	14,033,452	8,355,831	14,622,248	8,584,521
Premium on redemption of common shares (Note 5)	(447,447)	-	(1,036,243)	(228,690)
Retained earnings, end of period	13,586,005	8,355,831	13,586,005	8,355,831

The notes to the financial statements are an integral part of the consolidated financial statements.

**LOGIBEC GROUPE INFORMATIQUE LTD.
CONSOLIDATED BALANCE SHEETS**

	June 30, 2006	September 30, 2005
	\$ (unaudited)	\$ (audited)
Assets		
Current assets		
Cash and cash equivalents	1,882,105	3,191,839
Accounts receivable	11,231,011	4,692,909
Income tax credits receivable	2,126,414	1,602,641
Income tax receivable	943,015	1,147,663
Future income taxes	102,690	106,968
Prepaid expenses and other current assets	812,906	385,051
	17,098,141	11,127,071
Fixed assets		
Goodwill	4,175,617	4,637,194
Intangible assets and other long-term assets	30,704,367	30,494,988
	23,537,358	24,757,115
	75,515,483	71,016,368
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	6,146,706	4,700,357
Promissory note	55,810	-
Income taxes	3,370,835	257,965
Future income taxes	135,000	135,000
Current portion of long-term debt	2,469,592	4,572,065
Current liabilities, excluding deferred revenue	12,177,943	9,665,387
Deferred revenue	14,549,279	8,337,960
	26,727,222	18,003,347
Long-term debt	7,217	7,773,180
Future income taxes	9,609,794	9,795,561
	36,344,233	35,572,088
Shareholders' equity		
Share capital (Note 5)	28,631,259	27,755,214
Warrants (Note 5)	-	189,837
Contributed surplus (Note 5)	385,424	177,888
Retained earnings	13,586,005	9,445,516
Currency translation adjustment	(3,431,438)	(2,124,175)
	39,171,250	35,444,280
	75,515,483	71,016,368

The notes to the financial statements are an integral part of the consolidated financial statements.

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

	Three months ended June 30		Nine months ended June 30	
	2006	2005	2006	2005
	\$	\$	\$	\$
Operating activities				
Net earnings	1,736,334	1,099,095	5,176,732	3,435,630
Adjustments for:				
Amortization of fixed assets	281,433	230,096	821,238	656,664
Amortization of intangible assets and other long-term assets	1,381,444	839,819	4,017,833	2,769,389
Stock-base compensation	29,648	69,762	207,536	69,762
Loss on disposal of fixed assets	17,587	-	36,080	-
	3,446,447	2,238,772	10,259,420	6,931,445
Changes in non-cash operating working capital items	8,516,496	6,831,728	2,898,147	(87,023)
	11,962,943	9,070,500	13,157,567	6,844,422
Investing activities				
Business acquisition, net of cash and cash-equivalents acquired	(1,166,293)	(32,394,741)	(2,609,097)	(33,105,583)
Decrease in advance to a related company	-	64,675	-	406,351
Proceeds from disposal of fixed assets	-	-	32,326	-
Acquisition of fixed assets	(131,793)	(58,337)	(427,572)	(315,383)
Increase in intangible assets and other long-term assets net of investment tax credits	(467,879)	(765,050)	(1,417,598)	(1,721,639)
	(1,765,965)	(33,153,453)	(4,421,941)	(34,736,254)
Financing activities				
Increase in long-term debt	-	28,288,261	3,100,000	28,288,261
Repayment of long-term debt	(10,193,767)	(14,376,770)	(12,979,804)	(17,127,928)
Redemption of shares (Note 5)	(564,922)	-	(1,351,035)	(299,115)
Issuance of shares (Note 5)	-	12,688,455	1,001,000	14,388,455
	(10,758,689)	26,599,946	(10,229,839)	25,249,673
Effect of exchange rate changes on cash denominated in foreign currency	232,602	(25,080)	184,479	(25,080)
Decrease in cash and cash equivalents	(329,109)	2,491,913	(1,309,734)	(2,667,239)
Cash and cash equivalents, beginning of year	2,211,214	1,406,783	3,191,839	6,565,935
Cash and cash equivalents, end of year	1,882,105	3,898,696	1,882,105	3,898,696

The notes to the financial statements are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

1. Notice of No Auditor Review of the Interim Consolidated Financial Statements

The interim consolidated financial statements are the responsibility of the Company's management and have been approved by its Board of Directors. The Company's independent auditor has not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

2. Significant Accounting Policies

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles, using the same accounting principles as those mentioned in Note 2 to the consolidated financial statements for the year ended September 30, 2005, except for the recent accounting changes. The unaudited interim consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto for the year ended September 30, 2005. These consolidated financial statements require management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and the notes thereto. Actual results could differ from these estimates.

Recent Accounting Changes

Asset retirement obligations

The Canadian Institute of Chartered Accountants (the "CICA") has issued Handbook Section 3110, *Asset Retirement Obligations*, which focuses on the recognition and measurement of liabilities for obligations associated with the retirement of fixed assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The standard is effective for fiscal years beginning on or after January 1, 2004. This chapter was adopted in 2005 and had no significant impact on the interim consolidated financial statements.

Consolidation of variable interest entities

In June 2003, the CICA issued Accounting Guideline 15 (AcG-15), *Consolidation of Variable Interest Entities*. This Guideline addresses consolidation of variable interest entities (VIEs) to which the usual condition for consolidation does not apply because the VIEs have no voting interests or are otherwise not subject to control through ownership of voting interests. It requires existing unconsolidated VIEs to be consolidated by the primary beneficiary. This Guideline is required for annual and interim periods beginning on or after November 1, 2004. The adoption of AcG-15 had no material impact on the Company's interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

2. Significant Accounting Policies (continued)

Recent Accounting Changes (continued)

Stock-based compensation plan

In September 2003, section 3870 of the CICA handbook was amended for fiscal years beginning on or after January 1, 2004. The amendments require that all stock-based compensation awarded to employees be measured using the fair value method and that the related expense be accounted for in the financial statements. The Company adopted the amendments as of October 1, 2003 on a prospective basis, as permitted by the amended section. For the quarter ended June 30, 2006, an expense in the amount of \$29,648 was recorded following the grant of stock options on April 1, 2005.

Impairment of long-lived assets

The CICA issued Handbook Section 3063, Impairment of Long-lived Assets, effective periods commencing on or after April 1, 2003. This section provides guidance on the recognition, measurement and disclosure of the impairment of long-lived assets. It replaces the write-down provisions in Section 3061, Property, Plant and Equipment. The provisions of the Section require an impairment loss for a long-lived asset to be held and used to be recognized when its carrying amount exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the amount by which its carrying amount exceeds its fair value. The adoption of this requirement had no material impact on the interim consolidated financial statements of the Company.

3. Business Acquisition

Monette Information Systems Corporation

On March 23, 2006, MDI Technologies, Inc. ("MDI"), a wholly-owned subsidiary of the Company, completed the acquisition of all the shares of Monette Information Systems Corporation ("Monette"). Monette, located in Smithfield, Virginia, sells the ULTRACare software package to the same market sector MDI addresses, namely the long-term care sector in the United States. The consideration for the share purchase was \$2.7 million allocated as described in the table below. The promissory note of \$55,810 was paid on July 21, 2006.

The preliminary allocation of the purchase price that follows was established based on information available and on the basis of preliminary evaluations. This allocation is subject to changes when new information becomes available.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

3. Business Acquisition (continued)

	\$
Net assets acquired	(255,479)
Non-cash operating working capital items	28,686
Fixed assets	(11,551)
Long-term debt	2,947,130
Acquired technology	1,165,900
Customer relationships	746,176
Goodwill	991,175
Net non-cash assets acquired	2,664,907
Cash and cash equivalents	14,946
Net assets acquired	2,679,853
Consideration	
Cash	2,575,549
Promissory note	55,810
Acquisition costs	48,494
Consideration	2,679,853

MDI Technologies, Inc.

During the quarter ended June 30, 2006, the Company completed the allocation of the purchase price of the MDI common shares. The Company's evaluation creates an adjustment to the initial allocation of the purchase price described in note 4 of the consolidated financial statements for the fiscal year ended September 30, 2005. The adjustment results in an increase of goodwill and a decrease of non-cash operating working capital items in the amount of \$117,180.

	\$
Net assets acquired	
Non-cash operating working capital items	1,674,476
Fixed assets	687,380
Acquired technology	5,071,700
Customer relationships	8,040,500
Goodwill	25,143,623
Integration liabilities	(75,166)
Future income tax liabilities	(5,013,685)
Net non-cash assets acquired	35,528,828
Cash and cash equivalents	2,659,965
Net assets acquired	38,188,793
Consideration	
Cash	37,438,354
Acquisition costs	591,368
Due to former shareholders (US\$136,812)	159,071
Consideration	38,188,793

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

4. Service Costs

Service costs are presented net of the *Cité du Multimédia* tax credits and the *Centre national des nouvelles technologies de Québec* tax credits which are in the amount of:

Three Months Ended June 30,		Nine Months Ended June 30,	
2006	2005	2006	2005
\$240,293	\$289,405	\$711,776	\$733,607

5. Share Capital, Options and Warrants

Authorized, unlimited number and without par value

Preferred shares, issuable in series, with terms and conditions determined at the time of issuance

Common Shares, voting

		June 30, 2006	September 30, 2005
		\$	\$
Issued			
8,993,324	Common Shares (8,806,324 as of September 30, 2005)	28,631,259	27,755,214

Under the terms of a normal course issuer bid, the Company is authorized to repurchase up to 447,565 common shares (5% of the issued common shares) over the course of the twelve-month period beginning December 20, 2005 and ending December 19, 2006.

Between December 28, 2005 and June 20, 2006, the Company purchased, under the terms of the normal course issuer bid, 99,000 common shares for a total cash consideration of \$1,351,035. The excess of \$1,036,243 over paid-up capital of the shares was recorded as a decrease in retained earnings.

During the nine-month period ended June 30, 2006, 150,000 options were exercised for cash consideration of \$525,000 and 150,000 common shares were issued.

In addition, 136,000 warrants were exercised for cash consideration of \$476,000 and 136,000 common shares were issued. Share capital increased by \$665,837 and the warrants decreased by \$189,837.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

5. Share Capital, Options and Warrants (continued)

A summary of outstanding warrants is presented in the following table:

	June 30, 2006 (9 months)		September 30, 2005 (12 months)	
	Warrants	Average Exercise Price \$	Warrants	Average Exercise Price \$
Outstanding, beginning of period	136,000	3.50	816,000	3.50
Granted	-	-	-	-
Exercised	(136,000)	3.50	(680,000)	3.50
Outstanding, end of period	-	-	136,000	3.50

Options

A summary of stock options is presented in the following table:

	June 30, 2006 (9 months)		September 30, 2005 (12 months)	
	Options	Wtd Average Exercise Price \$	Options	Wtd Average Exercise Price \$
Outstanding, beginning of period	294,000	6.36	400,000	2.81
Granted	-	-	134,000	9.84
Exercised	(150,000)	3.50	(240,000)	2.40
Outstanding, end of period	144,000	9.33	494,000	6.36
Exercisable options, end of period	10,000	2.50	160,000	3.44

Outstanding options granted under the 1986 plan and exercisable

Exercise Price	Number	Expiration
\$2.50	10,000	December 20, 2007

Outstanding options granted under the 2005 plan

Exercise Price	Number	Expiration
\$9.84	134,000	March 31, 2010

Compensation expense related to the stock option grants for the nine months ended June 30, 2006 is \$207,536. The total amount was recorded under contributed surplus.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

6. Earnings Per Share

The following table provides the details for the calculation of basic earnings per share and fully diluted earnings per share:

	Three months Ended June 30,		Nine Months Ended June, 30	
	2006	2005	2006	2005
Net earnings	\$1,736,334	\$1,099,095	\$5,176,732	\$3,435,630
Weighted average number of common shares outstanding	9,020,379	7,219,445	8,980,601	7,045,386
Dilutive effect of options and warrants	49,107	425,219	79,855	383,634
Diluted weighted average number of Common Shares outstanding	9,069,486	7,644,664	9,060,455	7,429,020
Basic earnings per share	\$0.19	\$0.15	\$0.58	\$0.49
Fully diluted earnings per share	\$0.19	\$0.14	\$0.57	\$0.46

7. Segmented Information

The Company's economic activity is divided into two segments that are as much defined by geography as by the markets' nature. The Canadian unit specializes in the development, marketing, implementation and support of information systems for the health and social services sector in Canada. Healthcare in Canada is publicly funded and administered on a provincial or territorial basis. As such, the Company's Canadian customers are predominantly government-run entities.

The U.S. unit, through MDI and Monette, specializes in the same activities, but for information systems for the healthcare sector in the United States, which is primarily managed by private enterprise. American customers are divided into "for profit" and "not for profit" entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

7. Segmented Information (continued)

The following table presents the financial data used by Company management in assessing segmented results.

	Three Months Ended June 30, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Revenue	8,774,911	2,866,105	11,641,016
Operating expenses before amortization	5,163,848	1,749,676	6,913,524
Amortization of fixed assets	211,247	70,112	281,359
Amortization of intangibles and other long-term assets	851,696	558,096	1,409,792
Operating income after amortization	2,548,120	488,221	3,036,341

	Three Months Ended June 30, 2005		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Revenue	6,983,076	309,616	7,292,692
Operating expenses before amortization	4,339,176	198,499	4,537,675
Amortization of fixed assets	224,002	6,094	230,096
Amortization of intangibles and other long-term assets	839,819	-	839,819
Operating income after amortization	1,580,079	105,023	1,685,102

	Nine Months Ended June 30, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Revenue	24,905,494	7,875,439	32,780,933
Operating expenses before amortization	14,760,535	4,643,176	19,403,711
Amortization of fixed assets	619,536	201,628	821,164
Amortization of intangibles and other long-term assets	2,513,331	1,532,850	4,046,181
Operating income after amortization	7,012,092	1,497,785	8,509,877

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended June 30, 2006

(unaudited)

7. Segmented Information (continued)

	June 30, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Fixed assets	3,673,150	502,467	4,175,617
Intangible and other long-term assets	11,883,690	11,653,668	23,537,358
Total assets	36,430,006	39,085,477	75,515,483

	September 30, 2005		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Fixed assets	4,041,942	595,252	4,637,194
Intangible and other long-term assets	12,972,879	11,784,236	24,757,115
Total assets	31,769,606	39,246,762	71,016,368

8. Subsequent Event

On July 14, 2006, the Company acquired the business activities of Lagibert inc., a company specializing in the development, marketing and support of human resources software in the health and social services sector, for cash consideration of \$0.4 million and royalties payable on the sale of certain acquired software packages over the next three years.