



**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
December 31, 2006**

HEALTHCARE SOLUTIONS



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

	Three months ended December 31	
	2006	2005
	\$	\$ (As restated; note 1)
Revenue	9,969,567	9,428,981
Operating expenses		
Service costs (Note 3)	4,142,431	3,606,500
Selling and administrative expenses	1,766,556	2,240,126
Stock-based compensation	29,648	88,944
	5,938,635	5,935,570
Earnings before the following items	4,030,932	3,493,411
Amortization of fixed assets	267,202	271,101
Amortization of intangible assets and other long-term assets	1,291,194	1,224,533
Loss on disposal of fixed assets	4,410	-
Income on temporary investments	(23,701)	(15,473)
Financial expenses	(18,788)	191,925
Earnings before income taxes	2,510,615	1,821,325
Income taxes	840,000	429,493
Net earnings	1,670,615	1,391,832
Net earnings per share (Note 5)		
Basic	0.19	0.16
Diluted	0.19	0.15
Weighted average number of common shares outstanding (Note 5)		
Basic	8,931,724	8,888,775
Diluted	8,990,432	9,042,975

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

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

	Three months ended December 31	
	2006	2005
	\$	\$ (As restated; note 1)
Retained earnings, beginning of year		
Balance carried forward	12,436,490	9,445,516
Restatement of prior years' financial statements (Note 1)	-	(1,891,114)
Adjusted balance	12,436,490	7,554,402
Net earnings	1,670,615	1,391,832
	14,107,105	8,946,234
Premium on redemption of common shares	-	(110,372)
Retained earnings, end of year	14,107,105	8,835,862

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

LOGIBEC GROUPE INFORMATIQUE LTD.
CONSOLIDATED BALANCE SHEETS

	December 31, 2006	September 30, 2006
	\$ (unaudited)	\$ (audited) (As restated; note 1)
Assets		
Current assets		
Cash and cash equivalents	423,812	3,098,433
Accounts receivable	3,543,213	4,252,261
Income tax credits receivable	1,493,048	2,025,471
Income taxes receivable	294,908	165,148
Future income taxes	433,812	388,000
Other current assets	1,941,499	1,391,897
	8,130,292	11,321,210
Fixed assets		
Goodwill	4,007,526	4,086,812
Intangible assets and other long-term assets	32,705,991	31,654,862
	24,499,096	25,296,737
	69,342,905	72,359,621
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	5,223,062	5,677,592
Income taxes	1,894,657	4,083,774
Future income taxes	232,000	232,000
Current liabilities, excluding deferred revenue	7,349,719	9,993,366
Deferred revenue	8,288,320	11,307,157
	15,638,039	21,300,523
Long-term deferred revenue	5,295,667	5,823,432
Future income taxes	7,474,407	7,303,100
	28,408,113	34,427,055
Shareholders' equity		
Share capital (Note 4)	28,435,149	28,435,149
Contributed surplus (Note 4)	444,720	415,072
Retained earnings	14,107,105	12,436,490
Currency translation adjustment	(2,052,182)	(3,354,146)
	40,934,792	37,932,566
	69,342,905	72,359,621

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

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

	Three months ended December 31	
	2006	2005
	\$	\$ (As restated; note 1)
Operating activities		
Net earnings	1,670,615	1,391,832
Adjustments for:		
Amortization of fixed assets	267,147	271,101
Amortization of intangible assets and other long-term assets	1,267,915	1,224,533
Stock-based compensation	29,648	88,944
Loss on disposal of fixed assets	4,410	-
	3,239,735	2,976,410
Changes in non-cash operating working capital items	(5,235,073)	(2,532,972)
	(1,995,338)	443,438
Investing activities		
Acquisition of fixed assets	(168,486)	(103,897)
Increase in intangible assets and other long-term assets, net of investment tax credits	(493,369)	-
	(661,855)	(586,067)
Financing activities		
Repayment of long-term debt	-	(1,643,020)
Redemption of shares	-	(148,508)
Issuance of shares	-	1,001,000
	-	(790,528)
Effect of exchange rate changes on cash denominated in foreign currency	(17,428)	(34,745)
Decrease in cash and cash equivalents	(2,674,621)	(967,902)
Cash and cash equivalents, beginning of year	3,098,433	3,191,839
Cash and cash equivalents, end of year	423,812	2,223,937

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended December 31, 2006

(unaudited)

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.

1. Restatement of prior year consolidated financial statements

As a result of an evolution in the interpretation of the accounting principles stated in EIC-142 *Revenue Arrangements with Multiple Deliverables* issued by the CICA, the Company has restated the accounting treatment of certain revenue elements related to arrangements with multiple deliverables.

Arrangements with multiple deliverables in Canada

Prior to the fourth quarter of fiscal year 2006, the Company recognized revenue from professional services provided for the implementation of its Canadian software products upon delivery of these services. In the course of preparing the 2006 consolidated financial statements, it was determined that the services related to certain software products did not have value for the client on a stand-alone basis and therefore could not be accounted for separately from the rights of use granted to the customer under the terms of the agreements with customers. In such cases, the Company recognizes revenue from professional services on a straight-line basis over the initial term of the related agreements.

Arrangements with multiple deliverables in the United States

Also prior to the fourth quarter of fiscal year 2006, the Company recognized revenue from perpetual software licenses sold by MDI upon delivery of the software products. In the course of preparing the 2006 consolidated financial statements, it was determined that in order to retain the right to use the software, the support and maintenance service fees were not optional. Consequently, the Company must recognize revenue from perpetual software licenses on a straight-line basis over the initial term of the related agreements, which is generally five years.

Accordingly, the Company has restated retained earnings as at September 30, 2004 as well as its financial statements for the year ended September 30, 2005.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended December 31, 2006

(unaudited)

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 3 to the consolidated financial statements for the year ended September 30, 2006, 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, 2006. 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

Financial Instruments – Recognition and Measurement

In April 2005, the CICA issued Handbook Section 3855, *Financial Instruments – Recognition and Measurement*. This Section is effective for fiscal years beginning on or after October 1, 2006. It describes the standards for recognizing and measuring financial assets, financial liabilities and non financial derivatives.

This Section requires that:

- all financial assets be measured at fair value, with some exceptions like loans and investments that are classified as held-to-maturity;
- all financial liabilities be measured at fair value if they are derivatives or classified as held for trading purposes. Other financial liabilities are measured at their carrying value;
- all derivative financial instruments be measured at fair value, even when they are part of a hedging relationship.

The Company has evaluated that the adoption of these new standards will have no material impact on the Company's consolidated financial statements.

Non-monetary transactions

In June 2005, the CICA replaced Handbook Section 3830, *Non-monetary transactions*, by Section 3831, *Non-monetary transactions*. The revised standard has the goal of replacing the criteria based on the culmination of the earnings process with one based on commercial substance for the measurement of a non-monetary transactions at fair value. The revised standard is applied to all non-monetary transactions initiated in periods beginning after January 1, 2006. The adoption of this Section had no material impact on the Company's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended December 31, 2006

(unaudited)

2. Significant Accounting Policies (continued)

Recent Accounting Changes (continued)

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.

3. 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 December 31,	
2006	2005
\$238,047	\$235,878

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the three-month period ended December 31, 2006
 (unaudited)

4. Share Capital and Options

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

		December 31, 2006	September 30, 2006
Issued			
8,931,724	Common Shares (8,931,724 as of September 30, 2006)	28,435,149	28,435,149

Under the terms of a normal course issuer bid, the Company was 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 ended December 19, 2006. Under the terms of the normal course issuer bid, the company repurchased and cancelled 160,160 common shares for a total cash consideration of \$2,329,698. The excess of \$1,818,796 over paid-up capital was recorded as a decrease in retained earnings. No shares were repurchased during the quarter ended December 31, 2006.

Options

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

	December 31, 2006 (3 months)		September 30, 2006 (12 months)	
	Options	Wtd Average Exercise Price	Options	Wtd Average Exercise Price
Outstanding, beginning of period	144,000	\$ 9.33	294,000	\$ 6.36
Granted	–	–	–	–
Exercised	–	–	(150,000)	3.50
Outstanding, end of period	144,000	9.33	144,000	9.33
Exercisable options, end of period	77,000	8.69	77,000	8.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended December 31, 2006

(unaudited)

4. Share Capital and Options (continued)

Options (continued)

Outstanding options granted and exercisable under the 1986 plan

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

Outstanding options granted under the 2005 plan, half of which can be exercised

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

Compensation expense related to the stock option grants for the quarter ended December 31, 2006 is \$29,648 (\$88,944 in 2005). The total amount was recorded under contributed surplus.

5. 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 December, 31	
	2006	2005 (As restated; note 1)
Net earnings	\$1,670,615	\$1,391,832
Weighted average number of common shares outstanding	8,931,724	8,888,775
Dilutive effect of options and warrants	58,708	154,200
Diluted weighted average number of Common Shares outstanding	8,990,432	9,042,975
Basic earnings per share	\$0.19	\$0.16
Fully diluted earnings per share	\$0.19	\$0.15

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended December 31, 2006

(unaudited)**6. Segment 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, 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.

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

	Three Months Ended December 31, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Revenue	7,406,789	2,562,778	9,969,567
Operating expenses before amortization	4,220,368	1,718,267	5,938,635
Amortization of fixed assets	201,153	66,049	267,202
Amortization of intangibles and other long-term assets	811,127	480,067	1,291,194
Operating income after amortization	2,174,141	298,395	2,472,536

	Three Months Ended December 31, 2005 (As restated; note 1)		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Revenue	7,289,615	2,139,366	9,428,981
Operating expenses before amortization	4,402,669	1,532,901	5,935,570
Amortization of fixed assets	203,290	67,811	271,101
Amortization of intangibles and other long-term assets	810,054	414,479	1,224,533
Operating income after amortization	1,873,602	124,175	1,997,777

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the three-month period ended December 31, 2006
 (unaudited)

6. Segment Information (continued)

	December 31, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Fixed assets	3,416,327	591,199	4,007,526
Intangible and other long-term assets	13,133,371	11,365,725	24,499,096
Goodwill	7,024,933	25,681,058	32,705,991
Total assets	27,934,119	41,408,786	69,342,905

	September 30, 2006		
	Canadian Unit	U.S. Unit	Total
	\$	\$	\$
Fixed assets	3,541,364	545,448	4,086,812
Intangible and other long-term assets	13,974,142	11,322,595	25,296,737
Goodwill	7,024,933	24,629,929	31,654,862
Total assets	33,006,822	39,352,799	72,359,621

7. Comparative Figures

Certain figures for the prior period have been reclassified to conform to the presentation adopted in the current year.