

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
March 31, 2010



HEALTHCARE SOLUTIONS



**CONSOLIDATED STATEMENTS OF EARNINGS**  
for periods ended March 31

*in thousands of Canadian dollars,  
except per share amounts*

	2010	2009	2010	2009
	Quarter	Quarter	Six months	Six months
	\$	\$	\$	\$
<b>Revenue</b>	<b>18,429</b>	19,677	<b>36,312</b>	38,441
Operating expenses				
Service costs	<b>8,390</b>	9,051	<b>16,443</b>	17,789
Selling and administrative expenses	<b>3,214</b>	3,701	<b>6,647</b>	7,469
	<b>11,604</b>	12,752	<b>23,090</b>	25,258
Earnings before the following items	<b>6,825</b>	6,925	<b>13,222</b>	13,183
Amortization of intangible assets and other long-lived assets	<b>2,458</b>	2,776	<b>4,835</b>	5,424
Amortization of fixed assets	<b>255</b>	547	<b>507</b>	1,108
Loss on disposal of fixed assets (Note 3)	<b>1</b>	-	<b>75</b>	-
Provision for office closures (Note 3)	-	-	<b>422</b>	-
Financial expenses	<b>289</b>	394	<b>693</b>	110
	<b>3,003</b>	3,717	<b>6,532</b>	6,642
Earnings before income taxes	<b>3,822</b>	3,208	<b>6,690</b>	6,541
Income taxes	<b>1,187</b>	964	<b>2,055</b>	1,973
<b>Net earnings</b>	<b>2,635</b>	2,244	<b>4,635</b>	4,568
<b>Net earnings per share (Note 6)</b>				
Basic	<b>0.29</b>	0.24	<b>0.51</b>	0.48
Diluted	<b>0.29</b>	0.24	<b>0.50</b>	0.48
<b>Weighted average number of shares outstanding (Note 6)</b>				
Basic	<b>9,147,185</b>	9,435,090	<b>9,171,613</b>	9,486,642
Diluted	<b>9,188,784</b>	9,478,913	<b>9,223,834</b>	9,530,464

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
for periods ended March 31

<i>in thousands of Canadian dollars</i>	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Quarter</b>	Quarter	<b>Six months</b>	Six months
	<b>\$</b>	\$	<b>\$</b>	\$
<b>Net earnings</b>	<b>2,635</b>	2,244	<b>4,635</b>	4,568
Unrealized gains (losses) on translation of financial statements of self-sustaining foreign subsidiaries	<b>(2,650)</b>	3,370	<b>(4,145)</b>	15,413
<b>Comprehensive income (loss)</b>	<b>(15)</b>	5,614	<b>490</b>	19,981

**CONSOLIDATED STATEMENTS OF ACCUMULATED OTHER COMPREHENSIVE LOSS**  
for periods ended March 31

<i>in thousands of Canadian dollars</i>	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Quarter</b>	Quarter	<b>Six months</b>	Six months
	<b>\$</b>	\$	<b>\$</b>	\$
<b>Balance, beginning of period</b>	<b>(1,818)</b>	10,965	<b>(323)</b>	(1,078)
Unrealized gains (losses) on translation, of financial statements of self-sustaining foreign subsidiaries	<b>(2,650)</b>	3,370	<b>(4,145)</b>	15,413
<b>Balance, end of period</b>	<b>(4,468)</b>	14,335	<b>(4,468)</b>	14,335

**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS**  
for periods ended March 31

<i>in thousands of Canadian dollars</i>	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Quarter</b>	Quarter	<b>Six months</b>	Six months
	<b>\$</b>	\$	<b>\$</b>	\$
<b>Balance, beginning of period</b>	<b>24,276</b>	19,024	<b>23,731</b>	18,019
Net earnings	<b>2,635</b>	2,244	<b>4,635</b>	4,568
	<b>26,911</b>	21,268	<b>28,366</b>	22,587
Premium on repurchase of common shares	<b>(2,483)</b>	(348)	<b>(3,938)</b>	(1,667)
<b>Balance, end of period</b>	<b>24,428</b>	20,920	<b>24,428</b>	20,920

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED BALANCE SHEETS**

<i>in thousands of Canadian dollars</i>	<b>March 31 2010</b>	September 30 2009
	\$	\$
<b>Assets</b>		
Current assets		
Cash	2,053	1,493
Accounts receivable	6,606	6,965
Income tax credits receivable (Note 2)	2,460	2,463
Future income taxes	747	771
Other current assets	4,690	4,518
	<b>16,556</b>	16,210
Fixed assets		
Goodwill	3,765	3,924
Intangible assets and other long-lived assets	61,872	64,833
	<b>40,498</b>	45,861
	<b>122,691</b>	130,828
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	8,003	8,997
Income taxes	1,765	1,107
Future income taxes	450	450
Current portion of long-term debt (Note 4)	14,325	5,613
	<b>24,543</b>	16,167
Deferred revenue	8,705	19,614
	<b>33,248</b>	35,781
Long-term deferred revenue	6,885	7,357
Long-term debt (Note 4)	12,574	14,231
Future income taxes	2,544	2,533
	<b>55,251</b>	59,902
<b>Shareholders' equity</b>		
Share capital (Note 5)	47,006	47,044
Contributed surplus	474	474
Retained earnings	24,428	23,731
Accumulated other comprehensive loss	(4,468)	(323)
	<b>19,960</b>	23,408
	<b>67,440</b>	70,926
	<b>122,691</b>	130,828

The accompanying notes are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for periods ended March 31

<i>in thousands of Canadian dollars</i>	<b>2010</b>	2009	<b>2010</b>	2009
	<b>Quarter</b>	Quarter	<b>Six months</b>	Six months
	<b>\$</b>	\$	<b>\$</b>	\$
<b>Operating activities</b>				
Net earnings	<b>2,635</b>	2,244	<b>4,635</b>	4,568
Adjustments for:				
Amortization of intangible assets and other long-lived assets	<b>2,458</b>	2,776	<b>4,835</b>	5,424
Amortization of fixed assets	<b>255</b>	547	<b>507</b>	1,108
Amortization of deferred financing costs	<b>6</b>	21	<b>43</b>	42
Unrealized gain on the fair value of foreign exchange contracts	<b>215</b>	-	<b>105</b>	-
Gain on early payment of a promissory note	-	-	-	(91)
Unrealized gain on investment held for trading	<b>159</b>	-	<b>340</b>	-
Provision for office closures	-	-	<b>422</b>	-
Loss on disposal of fixed assets	<b>1</b>	-	<b>75</b>	-
	<b>5,729</b>	5,588	<b>10,962</b>	11,051
Changes in non-cash operating working capital items	<b>(4,688)</b>	(761)	<b>(11,295)</b>	(6,082)
	<b>1,041</b>	4,827	<b>(333)</b>	4,969
<b>Investing activities</b>				
Disposal (acquisition) of an investment	<b>196</b>	-	<b>196</b>	(1,186)
Acquisition of fixed assets	<b>(133)</b>	(362)	<b>(507)</b>	(771)
Increase in intangible assets and other long-lived assets, net of investment tax credits	<b>(697)</b>	(1,086)	<b>(1,269)</b>	(2,016)
	<b>(634)</b>	(1,448)	<b>(1,580)</b>	(3,973)
<b>Financing activities</b>				
Increase of long-term debt	<b>5,300</b>	1,800	<b>9,300</b>	12,800
Repayment of long-term debt	<b>(2,000)</b>	(3,533)	<b>(2,000)</b>	(7,849)
Repurchase of shares	<b>(3,281)</b>	(529)	<b>(5,295)</b>	(5,969)
Exercise of stock options	<b>443</b>	-	<b>443</b>	-
	<b>462</b>	(2,262)	<b>2,448</b>	(1,018)
Effect of exchange rate changes on cash denominated in foreign currency	<b>4</b>	(91)	<b>25</b>	(506)
Increase (decrease) in cash	<b>873</b>	1,026	<b>560</b>	(528)
Cash, beginning of period	<b>1,180</b>	1,630	<b>1,493</b>	3,184
<b>Cash, end of period</b>	<b>2,053</b>	2,656	<b>2,053</b>	2,656

The accompanying notes are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

**(unaudited)**

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**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 (CICA) for a review of interim financial statements by an entity's auditor.

**1. Significant Accounting Policies**

The interim consolidated financial statements for the three-month and six-month periods ended March 31, 2010 and 2009 are unaudited and include all adjustments that Management considers necessary for a fair presentation of the financial position of the Company, the results of its operations and its cash flows. The disclosures provided in these interim consolidated financial statements do not conform in all respects with the requirements of Canadian generally accepted accounting principles ("GAAP") for annual consolidated financial statements. Therefore interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended September 30, 2009. These interim consolidated financial statements have been prepared using the same accounting policies as the annual consolidated financial statements for the year ended September 30, 2009. These interim 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.

**Adoption of New Accounting Policies**

The following accounting policies were adopted by the Company on October 1, 2008 and had an impact on the financial statements:

**Goodwill and intangible assets**

In February 2008, the CICA issued Section 3064, *Goodwill and Intangible Assets*, which supersedes Section 3062, *Goodwill and Other Intangible Assets*, and Section 3450, *Research and Development Costs*. Various changes have been made to other sections of the CICA Handbook for consistency purposes. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of intangible assets. These changes clarify that costs may only be deferred when they relate to an item that meets the definition of an asset. The concept of matching revenues and expenses remains appropriate only for allocating the cost of an asset that is consumed in generating revenue over multiple reporting periods. Standards relating to goodwill are unchanged from those included in Section 3062. The Company now therefore records certain overhead expenditures as expenses instead of recording them as intangible assets. The adoption of this new section did not have a significant impact on the Company's consolidated financial statements for the fiscal year 2009 and was fully reflected in the fourth quarter of fiscal year 2009. If the impact of the adoption of Section 3064 had been reflected in each quarter of fiscal year 2009, the earnings before income taxes for the second quarter ended March 31, 2009 would have been lower by \$25,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended March 31, 2010

(unaudited)

**1. Significant Accounting Policies (continued)****Future accounting changes**

In December 2009, the CICA issued Emerging Issue Committee Abstract (“EIC”) 175, “Revenue Arrangements with Multiple Deliverables”, an amendment to EIC 142, “Revenue Arrangements with Multiple Deliverables”. EIC 175 provides guidance on certain aspects of the accounting for arrangements under which the Company will perform multiple revenue-generating activities.

Under the new guidance, when vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, a best estimate of the selling price is required to separate deliverables and allocate arrangement consideration using the relative selling price method. EIC 175 also includes new disclosure requirements on how the application of the relative selling price method affects the timing and amount of revenue recognition.

EIC 175 is effective prospectively, with retrospective adoption permitted, for revenue arrangements entered into or materially modified in fiscal years beginning on or after October 1, 2011. Early adoption is also permitted; however, early adoption during an interim period requires retrospective application from the beginning of the fiscal year. The Company has evaluated that the adoption of this new EIC does not presently have an impact on the Company’s consolidated financial statements.

**2. Income Tax Credits**

The Company holds eligibility certificates for the *Cité du Multimédia* and the *Centre National des Nouvelles Technologies de Québec* (CNNTQ). These programs were established by the Government of Quebec to assist companies operating in the information technology and multimedia sectors by entitling them to claim a refundable tax credit equal to 40% of salaries paid to employees assigned to new technology development, up to a maximum of \$15,000 per eligible employee.

<i>in thousands of Canadian dollars</i>	Quarter March 31, 2010	Quarter March 31, 2009	Six-month March 31, 2010	Six-month March 31, 2009
	\$	\$	\$	\$
Income tax credits recorded as a reduction in service costs	312	229	624	448
Income tax credits recorded as a reduction in capitalized technology development costs	63	107	129	222
	<b>375</b>	<b>336</b>	<b>753</b>	<b>670</b>

To be eligible for these refundable tax credits, the Company must respect certain terms and conditions, and must obtain a certificate of eligibility from the Government of Quebec each year. If the Company breaches its obligations defined under these tax credit programs, it will be responsible for reimbursing the tax credits obtained. As of March 31, 2010, no liability was recorded with respect to the reimbursement provisions of the program.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

(unaudited)

**3. Office Closures**

On December 30, 2009, the Company closed two of its five American offices, namely the offices in Smithfield, Virginia and Tampa, Florida in order to improve on its operational efficiency. The development and customer service activities of these two offices were transferred to the other American offices. The costs related to the closing of these offices were in the amount of \$496,000, of which \$74,000 (US\$70,000) was for writing off leasehold improvements and furniture and \$422,000 (US\$400,000) for future rent and other closing costs.

**4. Long-term Debt**

<i>in thousands of Canadian dollars</i>	Maturity	As at March 31, 2010	As at September 30, 2009
		\$	\$
Canadian credit facility agreement	2012	21,800	14,500
Promissory note of US\$5,242,000	2010	5,325	5,613
		27,125	20,113
Current portion		(14,325)	(5,613)
		12,800	14,500
Deferred financing costs		(226)	(269)
		12,574	14,231

**5. Share Capital**

<i>in thousands of Canadian dollars</i>	Number	Carrying Value
		\$
Balance as at September 30, 2008	9,580,024	48,821
Repurchased and cancelled	(348,655)	(1,777)
Balance as at September 30, 2009	9,231,369	47,044
Repurchased and cancelled	(266,188)	(1,357)
Exercise of stock options	134,000	1,319
<b>Balance as at March 31, 2010</b>	<b>9,099,181</b>	<b>47,006</b>

**Repurchase and cancellation**

Under the terms of a normal course issuer bid, the Company was authorized to repurchase for cancellation up to 472,189 and 456,088 common shares (approximately 5% of the common shares outstanding) over the course of the twelve-month periods ending February 12, 2010 and February 18, 2011. During the six-month period ended March 31, 2010, the Company repurchased and cancelled 266,188 common shares for cash consideration of \$5,295,000. The excess of the fair value of the common shares acquired over the carrying value, in the amount of \$3,938,000, was charged to retained earnings.

**Stock options**

During the quarter ended March 31, 2010, all the Company's 134,000 issued and outstanding stock options were exercised for cash consideration of \$1,319,000 of which \$876,000 is to be received as at March 31, 2010.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

(unaudited)

**6. Earnings per Share**

The following table provides a reconciliation of basic net earnings per share and diluted net earnings per share:

	Quarter March 31, 2010	Quarter March 31, 2009	Six months March 31, 2010	Six months March 31, 2009
Net earnings	<b>\$2,635,000</b>	\$2,244,000	<b>\$4,635,000</b>	\$4,568,000
Weighted average number of common shares outstanding	<b>9,147,185</b>	9,435,090	<b>9,171,613</b>	9,486,642
Dilutive effect of stock options	<b>41,599</b>	43,823	<b>52,221</b>	43,822
Weighted-average number of common shares outstanding - diluted	<b>9,188,784</b>	9,478,913	<b>9,223,834</b>	9,530,464
Net earnings per share				
Basic	<b>\$0.29</b>	\$0.24	<b>\$0.51</b>	\$0.48
Diluted	<b>\$0.29</b>	\$0.24	<b>\$0.50</b>	\$0.48

All the granted and outstanding stock options had a dilutive effect during the quarters shown above. There was no balance of granted and outstanding stock options as at March 31, 2010.

**7. Capital Disclosures**

The Company's objectives when managing capital are to:

- maintain financial flexibility in order to preserve its ability to meet financial obligations, including potential obligations arising from additional acquisitions;
- maintain a capital structure that allows the Company to favor the financing of its growth strategy using internally-generated cash flow and its debt capacity; and
- optimize the use of its capital to provide an appropriate investment return to its shareholders.

The Company defines its capital as follows: shareholders' equity, long-term debt and cash.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with the objectives stated above and corresponds to the risk characteristics of the underlying assets. In order to maintain or adjust its capital structure, the Company may refinance its existing debt, raise new debt, repurchase shares for cancellation pursuant to normal course issuer bids or issue new shares.

The Company periodically monitors capital using a number of financial metrics comprised mainly of the following ratios:

- Total net debt to earnings before interest, taxes, depreciation and amortization (EBITDA); and
- Total net debt to total capitalization.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

**(unaudited)**

**7. Capital Disclosures (continued)**

Total net debt, a non-GAAP measure, is calculated as the sum of long-term debt (including the current portion), less cash.

EBITDA, a non-GAAP measure, is calculated as the sum of net earnings, plus interest on debt and balance of purchase price, other interest or income, income taxes, amortization of fixed assets and intangible assets and other long-lived assets.

Total capitalization, a non-GAAP measure, is calculated as the sum of the total net debt and shareholders' equity.

The Company's financial objectives and strategy as described above have remained substantially unchanged since the last fiscal year-end. These objectives and this strategy are reviewed on an annual basis. The Company believes that its ratios are within reasonable limits, in light of the relative size of the Company, its capital management objectives and its growth strategy.

The Company is also subject to financial covenants in its credit facility agreements, which are measured on a quarterly basis. These ratios are as follows:

<b>Commitment</b>	<b>Ratio</b>
Total net debt to EBITDA	Less than 3.00:1
Total net debt to total capitalization	Less than 55%
Fixed charge coverage	Over 1.20:1

The following table illustrates the financial metrics used by the Company and calculated on a twelve-month basis ended March 31, 2010 compared to fiscal year 2009.

<i>in thousands of Canadian dollars</i>	<b>March 31, 2010</b>	September 30, 2009
	<b>\$</b>	<b>\$</b>
Long-term debt, including the current portion	<b>21,800</b>	14,500
Balance of purchase price of subsidiaries, including the current portion	<b>5,325</b>	5,613
Less: Cash	<b>(2,053)</b>	(1,493)
<b>Total net debt</b>	<b>25,072</b>	18,620
Net earnings	<b>10,320</b>	10,252
Plus :		
Income tax	<b>4,517</b>	4,435
Interest charges on long-term debt	<b>972</b>	1,416
Interest revenue	<b>(23)</b>	(41)
Loss (gain) on foreign exchange	<b>195</b>	(800)
Provision for office closures	<b>422</b>	-
Unrealized loss on fair value of an investment	<b>(136)</b>	(84)
Loss on disposal of fixed assets	<b>93</b>	18
Amortization of fixed assets, intangible assets and other long-lived assets	<b>11,149</b>	12,339
<b>EBITDA</b>	<b>27,509</b>	27,535

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended March 31, 2010

(unaudited)

**7. Capital Disclosures (continued)**

EBITDA	<b>27,509</b>	27,535
Less :		
Deferred developments costs, including tax credits	<b>(1,998)</b>	(2,710)
Acquisition of fixed assets	<b>(983)</b>	(1,247)
Income taxes paid	<b>(5,794)</b>	(4,432)
Net EBITDA	<b>18,734</b>	19,146
Interest charge on long-term debt	<b>972</b>	1,416
Current portion of long-term debt	<b>14,325</b>	5,613
Fixed charge	<b>15,297</b>	7,029
	<b>March 31,</b>	September 30,
	<b>2010</b>	2009
<i>in thousands of Canadian dollars</i>	<b>\$</b>	<b>\$</b>
Total net debt	<b>25,072</b>	18,620
EBITDA	<b>27,509</b>	27,535
Total net debt to EBITDA	<b>0.91:1</b>	0.68:1
Total net debt	<b>25,072</b>	18,620
Total capitalization	<b>92,512</b>	89,546
Total net debt to total capitalization	<b>27.1%</b>	20.8%
Net EBITDA	<b>18,734</b>	19,146
Fixed charge	<b>15,297</b>	7,029
Fixed charge coverage	<b>1.22:1</b>	2.72:1

The Company is in compliance with all financial covenants as at March 31, 2010.

**8. Financial Instruments****Risk Management Policies**

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of risks as at the balance sheet date of March 31, 2010. The Company's financial assets and liabilities are its cash, accounts receivable, investments, foreign currency contracts, accounts payable and accrued liabilities and long-term debt.

**Fair values**

As at March 31, 2010 and September 30, 2009, the fair values of cash, accounts receivable, foreign currency contracts and accounts payable and accrued liabilities approximate their carrying values as they are short-term in nature. Despite significant decreases in interest rates observed during the last year, the fair value of long-term debt did not differ significantly from its value recognized as at March 31, 2010 due to the stricter criteria of financial institutions for granting new credit. The Company's own credit risk as well as the credit risk of the counterparty are considered in determining the fair value of financial assets and financial liabilities, including derivative instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

(unaudited)

**8. Financial Instruments (continued)**

**Credit Risk**

The Company's credit risk is primarily attributable to its account receivables. The amounts disclosed on the balance sheet are net of provision for bad debts, estimated by Management based on prior experience and its assessment of the current economic environment. The Company believes that the credit risk of accounts receivable is limited for the following reasons:

- A significant number of service contracts are paid annually in advance or through preauthorized payments.
- Canadian clients are almost exclusively financed by the government.
- Our American customer base is large and is geographically diverse within the United States. In addition, the credit level of each client is regularly monitored.
- Significant decrease in the level of American accounts receivable over 90 days over the last 15 months.

	<b>March 31, 2010</b>	September 30, 2009
<i>in thousands of Canadian dollars</i>	\$	\$
Balance of Canadian accounts receivable	2,459	2,661
Balance of American accounts receivable	4,147	4,334
	<b>6,606</b>	6,965

The Company's consolidated aging of accounts receivable is as follows:

	<b>Current Accounts</b>	<b>Accounts over 30 days</b>	<b>Accounts over 60 days</b>	<b>Accounts over 90 days</b>	<b>Allowance for Doubtful accounts</b>	<b>Total</b>
<i>in thousands of Canadian dollars</i>	\$	\$	\$	\$	\$	\$
<b>March 31, 2010</b>	<b>4,040</b>	<b>1,109</b>	<b>687</b>	<b>1,272</b>	<b>(502)</b>	<b>6,606</b>
Sept. 30, 2009	3,836	1,066	558	2,051	(546)	6,965

The Company's continuity schedule of the consolidated allowance for doubtful accounts is as follows:

	<b>Six months ended March 31, 2010</b>	<b>Year ended September 30, 2009</b>
<i>in thousands of Canadian dollars</i>	\$	\$
Beginning balance	546	1,168
Increase in allowance for doubtful accounts	105	4
Account write-offs	(149)	(626)
Ending balance	<b>502</b>	546

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

**(unaudited)****8. Financial Instruments (continued)****Liquidity Risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's growth is financed on an annual basis through a combination of cash flows from operations, borrowings under the existing credit facilities and the issuance of equity. One of Management's primary goals is to maintain an optimal level of liquidity through the active management of assets and liabilities as well as cash flows. Given the Company's liquidity as compared to the timing of the payments of liabilities, Management assesses the Company's liquidity risk to be low.

**Foreign Currency Risk**

The Company is exposed to fluctuations in the U.S. dollar. The following table details the sensitivity of the Company's net earnings, for the year following March 31, 2010 and September 30, 2009, to a 20% strengthening of the U.S. dollar against the Canadian dollar. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at period end for such a change in the exchange rate.

	<b>Impact of U.S. dollar exchange rate fluctuations</b>	
	<b>March 31, 2010</b>	September 30, 2009
<i>in thousands of Canadian dollars</i>	\$	\$
After tax foreign exchange gain to the income statement	<b>306</b>	560

A weakening of 20% of the U.S. dollar against the Canadian dollar would have the opposite impact on the Company's net earnings.

**Interest Rate Risk**

The Company is exposed to interest rate risk on a portion of its long-term debt and does not currently hold any financial instruments that mitigate this risk. Management does not believe that interest rate fluctuations will have a significant impact since the Company intends to reimburse a significant portion of its long-term debt during the next year using its cash flow from operating activities.

The following table details the sensitivity of the Company's net earnings, for the year following March 31, 2010 and September 30, 2009, to a one hundred basis points increase in the interest rate applied to the Company's credit facilities.

	<b>Impact of interest rate fluctuations</b>	
	<b>March 31, 2010</b>	September 30, 2009
<i>in thousands of Canadian dollars</i>	\$	\$
Additional after tax interest charge to the income statement	<b>148</b>	99

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended March 31, 2010

**(unaudited)**

**9. Segment Information**

The Company's activities are divided into two segments that are defined by geography and by the nature of markets served. 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-funded entities.

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

	Quarter ended					
	March 31, 2010			March 31, 2009		
	Canada	U.S.	Total	Canada	U.S.	Total
<i>in thousands of Canadian dollars</i>	\$	\$	\$	\$	\$	\$
Revenue	9,099	9,330	18,429	8,582	11,095	19,677
Operating expenses	5,267	6,337	11,604	4,945	7,807	12,752
Amortization of fixed assets	137	118	255	233	314	547
Amortization of intangibles and other long-lived assets	666	1,792	2,458	756	2,020	2,776
Earnings before the following items:	3,029	1,083	4,112	2,648	954	3,602
Loss on disposal of assets, provision for office closures, financial expenses and income taxes			1,477			1,358
Net earnings			2,635			2,244
Acquisition of fixed assets	14	119	133	101	268	369

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 For the six-month period ended March 31, 2010  
 (unaudited)

**9. Segment Information (continued)**

<i>in thousands of Canadian dollars</i>	Six-month period ended					
	March 31, 2010			March 31, 2009		
	Canada	U.S.	Total	Canada	U.S.	Total
	\$	\$	\$	\$	\$	\$
Revenue	17,573	18,739	36,312	16,460	21,981	38,441
Operating expenses	10,440	12,650	23,090	9,621	15,637	25,258
Amortization of fixed assets	258	249	507	463	645	1,108
Amortization of intangibles and other long-lived assets	1,287	3,548	4,835	1,514	3,910	5,424
Earnings before the following items:	5,588	2,292	7,880	4,862	1,789	6,651
Loss on disposal of assets, provision for office closures, financial expenses and income taxes			3,245			2,083
Net earnings			4,635			4,568
Acquisition of fixed assets	352	155	507	205	573	778
<i>in thousands of Canadian dollars</i>	As at March 31, 2010					
	As at March 31, 2010			As at September 30, 2009		
	Canada	U.S.	Total	Canada	U.S.	Total
	\$	\$	\$	\$	\$	\$
Fixed assets	2,304	1,461	3,765	2,212	1,712	3,924
Intangible and other long-lived assets	8,368	32,130	40,498	9,085	36,776	45,861
Goodwill	7,078	54,794	61,872	7,078	57,755	64,833
Total assets	26,888	95,803	122,691	26,942	103,886	130,828