

MediSolution Ltd.

Consolidated Statements of Operations and Comprehensive Income (loss) *(unaudited)*

<i>(in thousands of dollars except per share data)</i>	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
REVENUE				
System sales	\$ 940	\$ 1,747	\$ 2,714	\$ 3,558
Support and processing	3,504	3,439	6,945	6,930
	4,444	5,186	9,659	10,488
Cost of revenue	2,784	2,984	6,284	6,489
	1,660	2,202	3,375	3,999
Sales and marketing expenses	633	1,138	1,439	2,249
Software development expenses	464	301	859	786
General and administrative expenses	915	1,137	1,731	2,300
Restructuring charges	(9)	1	(9)	(121)
Loss before the undernoted items:	(343)	(375)	(645)	(1,215)
Depreciation of property and equipment	75	112	155	234
Amortization of intangible assets	548	515	1,123	1,034
Interest expense	-	19	1	50
Interest income	(95)	-	(95)	-
(Gain) loss on foreign exchange	(5)	30	5	103
Loss on settlement of lawsuit	-	112	-	112
Loss from continuing operations before income taxes	(866)	(1,163)	(1,834)	(2,748)
Income taxes recovered	(7,113)	(3)	(7,113)	(3)
Net earning (loss) from continuing operations	6,247	(1,160)	5,279	(2,745)
Net earnings from discontinued operations, net of taxes	29,858	1,068	32,393	2,784
Net earnings (loss) and comprehensive income (loss)	\$ 36,105	\$ (92)	\$ 37,672	\$ 39
Net earnings (loss) per share – basic				
From continuing operations	0.04	(0.01)	0.03	(0.02)
From discontinued operations	0.19	0.01	0.21	0.02
Net earnings (loss) per share – basic	0.23	(0.00)	0.24	0.00
Net earnings (loss) per share – diluted				
From continuing operations	0.04	(0.01)	0.03	(0.02)
From discontinued operations	0.19	0.01	0.21	0.02
Net earnings (loss) per share – diluted	0.23	(0.00)	0.24	0.00
Weighted average number of common shares outstanding – basic	158,283,636	158,282,332	158,282,988	158,087,935
Weighted average number of common shares outstanding – diluted	159,493,805	158,282,332	159,054,532	158,087,935

MediSolution Ltd.

Consolidated Statements of Retained earnings(deficit)
(unaudited)

Six months ended September 30 <i>(in thousands of dollars)</i>	2008	2007
Deficit, beginning of period	\$ (1,259)	\$ (1,850)
Net earnings	37,672	39
Interest on share purchase financing	-	9
Retained earnings (deficit), end of period	\$ 36,413	\$ (1,802)

MediSolution Ltd.

Consolidated Statements of Cash Flows *(unaudited)*

<i>(in thousands of dollars)</i>	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
INFLOW (OUTFLOW) RELATED TO THE FOLLOWING ACTIVITIES				
Operating				
Net earnings (loss) from continuing operations	\$ 6,247	\$ (1,160)	\$ 5,279	\$ (2,745)
Items not affecting cash:				
Depreciation of property and equipment	75	112	155	234
Amortization of intangible assets	548	515	1,123	1,034
Stock-based compensation	57	98	139	154
Non-cash portion of restructuring charges	(9)	1	(9)	(121)
Changes in non-cash operating working capital items	(3,927)	(609)	(2,737)	2,164
Change in deferred revenue	(491)	(1,624)	(1,815)	(2,975)
Change in deferred expenses	1	264	436	520
Cash flows from continuing operations	2,501	(2,403)	2,571	(1,735)
Cash flows from discontinued operations	(3,721)	(66)	(2,929)	1,685
	(1,220)	(2,469)	(358)	(50)
Investing				
Additions to property and equipment	(21)	(119)	(29)	(178)
Additions to intangible assets, net of tax credits	(469)	(559)	(1,001)	(1,064)
Cash flows from continuing operations	(490)	(678)	(1,030)	(1,242)
Cash flows from discontinued operations	35,296	(270)	35,019	(545)
	34,806	(948)	33,989	(1,787)
Financing				
Repayment of share purchase plan loan	-	-	-	800
Issuance of common shares	2	-	2	136
Interest on share purchase financing	-	-	-	9
Decrease of short-term loans Trilon Bancorp	-	-	-	(1,999)
Decrease of short-term loans	-	2,701	-	2,377
Cash flows from continuing operations	2	2,701	2	1,323
Cash flows from discontinued operations	-	-	-	-
	2	2,701	2	1,323
Increase (decrease) in cash and cash equivalents	33,588	(716)	33,633	(514)
Cash, beginning of period	1,449	1,058	1,404	856
Cash, end of period	\$ 35,037	\$ 342	\$ 35,037	\$ 342
Supplemental cash flow information				
Interest paid	\$ -	\$ 19	\$ 1	\$ 50
Interest received	94	-	94	-
Income taxes received	-	3	-	3