

**QHR Technologies Inc.**  
(the "Company")  
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**News Release**

*Not for distribution in the United States or through United States wire services.*

**August 7, 2003 (QHR – TSX)** Mr. Al Hildebrandt, President and CEO of the Company, is pleased to announce that revenues increased 53% to \$1,699,289 for the six-month period ending June 30, 2003 up from \$1,110,497 for the same period in 2002. Net earnings from operations grew to \$116,150 compared to \$46,878 for the first two quarters of the previous year, a positive improvement of \$69,272.

Sales momentum continued during the six-month period ending June 30, 2003. New business contracts and commitments reached \$1,779,247. A portion of this amount was recorded as deferred revenue (defined as cash received in advance of services rendered) on the balance sheet. Deferred revenue grew to \$925,336 at June 30, 2003 from \$845,378 at December 31, 2002. The Company has over 45 clients with 85,000 employees using one or more of Quadrant HR™'s human resources, payroll or staff scheduling modules in healthcare, aviation and forestry organizations.

Product development costs are approaching \$4,200,000 since inception in 1997. These costs are not identified on the Balance Sheet of the Company as an asset since Generally Accepted Accounting Principles require the write-off of software development costs as they are incurred.

The Company invested another \$418,549 in product development during the period. The Company recently announced that the integrated Version 2.0 of Quadrant HR™ would be released in September 2003. This is a key milestone for QHR. Management believes that all expenditures made on the development of Quadrant HR™ are a valuable asset of the Company. This investment is expected to generate profitable revenue for the Company on behalf of its shareholders for years to come.

The Company continues to successfully implement its transition from a product development enterprise to a sales and marketing operation. The results for the six-month period ending June 30, 2003 continue to confirm the viability of the business model of QHR and its long-term business plans.

Management encourages interested parties to visit the Company's Web site, [QHRsoftware.com](http://QHRsoftware.com), for a more complete profile of the Company. The quarterly report including the financial statements is available from SEDAR.

**On behalf of the Board of Directors**

Al Hildebrandt  
President & Chief Executive Officer

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

**For further information, please contact:** Al Hildebrandt at (250) 979-1701