



("QHR" or the "Company")

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**NEWS RELEASE**

Trading Symbol: QHR

## **QHR TECHNOLOGIES ANNOUNCES THIRD QUARTER EARNINGS OF \$227,000**

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

**November 23, 2006 (QHR – TSX Venture Exchange)** Mr. Al Hildebrandt, President and CEO of the Company, announces that the Company has released its interim financial statements for the third quarter ended September 30, 2006. The Company reports a profit for the three-month period ended September 30, 2006 in the amount of \$227,065 (\$0.014 per share) against revenue of \$1,503,978 compared to a loss of \$606,524 (\$0.04 per share) against revenue of \$652,261 for same three-month period in 2005.

For the nine-months ended September 30, 2006 the year-to-date loss is \$537,080 against revenue of \$3,380,536 compared to a loss of \$875,143 against revenue of \$2,790,265 for the same nine-month period in 2005.

Contributing factors affecting the third quarter results were timing issues for the recognition of revenue for Human Resource ("HR") contracts previously received; increases in employee licenses used by current customers and business gains in the Company's electronic medical records ("EMR") initiatives. The year-to-date losses are attributed to the costs of the start up and continuing development of the Company's EMR technologies originally initiated in April 2004. Other contributors were the aggressive amortization schedules for capital and intangible assets acquired in previous periods.

The Company had cash on deposit of \$433,334; accounts receivable in the amount of \$959,833; and \$124,775 in prepaid expenses and deposits for a total current asset position of \$1,517,942 at September 30, 2006. QHR also has long-term cash commitments from several customers recorded as long-term receivables. The non-current balance of these receivables stood at \$242,121 at September 30, 2006. Current liabilities not including deferred revenues totaled \$555,830 at September 30, 2006.

The Company had a working capital deficiency of \$827,069 at September 30, 2006. The working capital deficiency includes \$1,789,181 of deferred revenue that will be satisfied through the delivery of products and services in future periods. No additional corporate resources are required to fulfill the delivery of these products and services. Management calculates its adjusted working capital for internal operational purposes as current assets less current liabilities before deferred revenue. At September 30, 2006, this adjusted working capital amount was \$962,112.

### **Financial Highlights**

- The Company recorded its best quarterly results in Company history with revenue in the amount of \$1,503,978 – a growth of 131% over the third quarter revenue of 2005.
- Third quarter earnings reached \$227,065 – an \$833,589 turnaround from the prior year.
- Year-to-date revenue for 2006 grows 21% to \$3,380,536 at September 30, 2006 compared to \$2,790,265 for the same period in 2005.
- The Company has maintained its financial health from internal sources during the third quarter 2006 with cash on deposit in the amount of \$433,334 and current receivables in the amount of \$959,833 at September 30, 2006.
- New business received in the first nine months of 2006 was maintained to a respectable \$3,196,490 producing a deferred revenue balance of \$1,789,181 at September 30, 2006.

- Recurring annual revenue has reached \$200,000 per month or 50% of overall anticipated annual expenditures.
- Wholly owned subsidiary, Optimed Software Corporation had its best quarter on record for revenue contribution to the overall consolidated results of QHR with \$168,458 in revenue in the three month period ended September 30, 2006 compared to \$63,136 for the same period in 2005 - an improvement of 165%.

The Company has spent \$796,850 in sales and marketing and \$1,042,482 on customer service and delivery during the nine-month period ended September 30, 2006 compared to \$585,262 and \$975,695 in 2005. These expenditures are directly related to the higher revenue volume experienced in the first three quarters in 2006.

Product development expenditures ran to \$910,050 for the nine-month period compared to \$842,954 in 2005 to provide key improvements and additional functions for Quadrant HR™ and Accuro™ EMR. General and administration costs stabilized at \$852,257 for the period compared to \$965,500 in 2005.

Management believes that the reported financial results are indicative of a developing software company that is using marketing initiatives to educate potential customers to the merits of the Company's products and investing heavily in product development. Management believes that its recurring annual revenue model is making healthy progress toward reliable long-term profitability.

For a more complete business and financial profile of the Company, management encourages interested parties to visit the Company's website, [www.QHRtechnologies.com](http://www.QHRtechnologies.com).

#### **On behalf of the Board of Directors**

Al Hildebrandt  
President & Chief Executive Officer

#### Legal Notice Regarding Forward Looking Statements

*This news release contains "forward looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements are indicated expectations or intentions. Forward-looking statements included in this news release include that "Management believes that its recurring annual revenue model is making healthy progress toward reliable long-term profitability". Results from operations in any given period are not necessarily indicative of results to be expected in future periods. QHR is a technology business development enterprise where investment; various trends and factors in the marketplace; and product enhancements must be carefully managed to achieve long-term revenue growth and profitability. These statements are subject to risks that may cause the actual results to be materially different in future periods from those expressed or implied by such forward looking statements.*

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Further risk information on the Company is available at [www.sedar.com](http://www.sedar.com).*

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