



## **LMS Medical Systems Inc.**

*For Immediate Release*

### **LMS TO STREAMLINE OPERATIONS**

**Montreal, Quebec, October 24, 2007 - LMS Medical Systems (TSX: LMZ, AMEX: LMZ)**, a healthcare technology company and developer of the CALM<sup>®</sup> clinical information system and risk management software tools for obstetrics, today announced that it is streamlining operations, thereby substantially reducing the company's expenses with the objective of reaching near term positive cash flow and ensuing profitability. LMS recently launched its flagship software applications and will now focus on growing market presence and product adoption.

The September 2007 announcement of the successful integration of its CALM product with a distributor's clinical platform and the market delivery of additional strategic products allows for the reorientation of the company's operations. Sales, service, training and software support for the Company's distributors and healthcare industry clients become the priority. Shifting from software development to commercialization allows for reductions in development expenses and outside consultants.

"Management will concentrate its efforts primarily on ramping up revenue generation, servicing our growing customer base and profitability." said Diane Côté, President and CEO of LMS. "We will continue to look at developing additional partnerships to increase market presence."

#### **ABOUT LMS**

LMS is a leader in the application of advanced mathematical modeling and neural networks for medical use. The LMS CALM<sup>™</sup> Suite provides physicians, nursing staff, risk managers and hospital administrators with clinical information systems and risk management tools designed to improve outcomes and patient care for mothers and their infants during childbirth.

*Except for historical information contained herein, the matters discussed in this news release are forward-looking statements. Because these forward-looking statements involve risks and uncertainties, there are important factors that could cause actual results to differ materially from those expressed implied by the forward-looking statements including, but without limitation, economic conditions in general and in the healthcare market, the demand for and market for our products in domestic and international markets, our current dependence on the CALM product suite, the challenges associated with developing new products and obtaining regulatory approvals if necessary, research and development activities, the uncertainty of acceptance of our products by the medical community, the lengthy sales cycle for our products, third party reimbursement, competition in our markets, including the potential introduction of competitive products by others, our dependence on our distributors, physician training, enforceability and the costs of enforcement of our patents, potential infringements of our patents and the other factors set forth from time to time in the Company's filings with the United States Securities and Exchange Commission and with the Canadian Securities Commissions. The Company has no intention of or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

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