



For Immediate Release

LMS ANNOUNCES THIRD QUARTER RESULTS

Montreal, Quebec, February 11, 2005 - LMS Medical Systems (TSX: LMZ), a healthcare technology company and developer of the CALM™ system (Computer Assisted Labor Management) today reported results of operations for the third quarter of fiscal 2005. All amounts are in Canadian dollars.

Revenue for the quarter ended December 31, 2004, increased by \$646,000 to \$678,000 from \$32,000 for the third quarter ended December 31, 2003. Year to date revenue increased by \$896,000 to \$986,000 from \$90,000 in 2003. The loss for the third quarter of fiscal 2005, inclusive of special charges, was \$2,275,000 (\$0.15 per share) versus a loss of \$1,260,000 (\$0.35 per share) in fiscal 2004. The increased loss is primarily attributable to increases in development, sales & marketing, administrative expenses and special charges. Development expenses increased primarily due to increased staffing to meet development milestones. This resulted in a total increase, net of investment tax credits, of \$638,000. Spending in sales & market development increased by \$302,000 due to increased activities and new employees. Administrative expenses increased by \$516,000 due to expenses associated with being a public company, stock option expense of \$210,000 for the quarter (\$280,000 year to date) and additional office, general and rental expenses related to increased Company staffing. In addition, in connection with the registration of the Company with the Toronto Stock Exchange and the Securities & Exchange Commission in the United States and listing fees for the American Stock Exchange, special charges of \$43,000 were incurred during the current quarter (\$614,000 year to date).

Cash, cash equivalents and short-term investments held to maturity, as at December 31, 2004 totaled \$11,940,000 versus \$1,481,000 at March 31, 2004. The increase is due to the completion of the private placement, the reverse takeover transaction and the exercise of warrants, which generated gross proceeds of \$16,798,000. The total number of shares outstanding at the end of the third quarter 2004 totaled 15.8 million compared to 9.2 million the previous year.

An expanded Management's Discussion and Analysis for the third quarter, and previous periods, is accessible on the LMS website at www.lmsmedical.com

Highlights

- Record quarterly revenue of \$678,000;
- Installation of our products at US and Canadian hospitals include but are not limited to the University of Maryland Medical Center in Baltimore, Maryland and Sacré-Coeur Hospital in Montreal, Canada.
- CALM™ Patterns, a Class II medical device for U.S. regulatory purposes, is currently completing its review by the United States Food and Drug Administration.
- McKesson Provider Technologies installed their initial clients having assumed distribution responsibilities to McKesson customers earlier in the fall under its private label agreement with LMS.



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- Completion of the registration process with the United States Securities and Exchange Commission, on Form 20-F under the Securities Exchange Act of 1934, establishing the Company as a U.S. reporting issuer.
 - The Company's shares will begin trading mid-February 2005 on the American Stock Exchange under the symbol LMZ.
 - The exercise of 1,292,569 warrants generating cash of \$4,175,000.

ABOUT LMS:

LMS is a leader in the application of advanced mathematical modeling and neural networks for medical use. The LMS CALM™ Decision Support Suite provides physicians, nursing staff, risk managers and hospital administrators with clinical information systems and decision support tools designed to improve outcomes and patient care for mothers and their infants during labor and delivery.

This press release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. For this purpose, any statements that are contained herein that are not statements of historical fact may be deemed to be forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Without limiting the foregoing, the words "believes," "anticipates," "plans," "intends," "will," "should," "expects," "projects," and similar expressions are intended to identify forward-looking statements. You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause actual results, future circumstances, or events to differ materially from those projected in the forward-looking statements. These risks include, but are not limited to, those associated with the success of research and development programs, the adequacy, timing, and results of clinical trials, the regulatory approval process, competition, securing and maintaining corporate alliances, market acceptance of the Company's products, the strength of intellectual property, financing capability, the potential dilutive effects of any financing, reliance on subcontractors and key personnel, and other risks detailed from time-to-time in the Company's public disclosure documents or other filings with the Canadian and U.S. securities commissions or other securities regulatory bodies. The forward-looking statements are made as of the date hereof, and the Company disclaims any intention and has no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.