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For Immediate Release

LMS ANNOUNCES FIRST QUARTER 2005 RESULTS

Montreal, Quebec, August 12, 2004 – 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 first quarter of 2005. All amounts are in Canadian dollars.

Revenue for the quarter totaled \$268,784 versus \$30,105 the year previous. The loss for the first quarter of 2005, inclusive of special charges, was \$1,801,260 (\$0.13 per share) versus a loss of \$1,447,579 (\$0.55 per share) in 2004. The increased loss resulted primarily from additional administrative expenses in the amount of \$157,615 related to being a public company, a decrease in foreign exchange gain from \$64,045 in 2004 to \$4,268 in the current quarter and a special charge of \$223,441 in connection with listing of the Company's shares on the TSX.

Cash, cash equivalents and marketable securities held to maturity totaled \$11,603,136 versus \$1,481,123 at year-end 2004. The increase relates to the completion of the private placement and the reverse takeover transaction, which generated gross proceeds of \$12,958,432. Interest income totaled \$54,442 versus an interest expense of \$17,017 last year. The total number of shares outstanding at the end of the first quarter totaled 14.3 million compared to 9.2 million the year previous.

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

Highlights

- Harry G. Hohn was appointed to the board of directors. Mr. Hohn spent over four decades with the New York Life Insurance Company having joined the company initially as an attorney. Formerly Chief Executive Officer, he also served as Chairman of the Board. During his watch, New York Life grew to \$120 billion of assets and \$25 billion of revenue.
- Terrance H. Gregg was appointed to the board of directors. Mr. Gregg, who resides in Los Angeles California, recently retired as President of Medtronic MiniMed, a world leader in diabetes management systems. Mr. Gregg was instrumental in Medtronic's US\$3.4 billion acquisition of MiniMed, Inc. in 2001.
- Received the Genesis 2004 Award from the Association of Health Technologies Industry (AITS). The award, granted in partnership with BioQuebec, recognizes innovators in biotechnology, life sciences and health technology industries.
- CALM™ PATTERNS was submitted to the United States Food & Drug Administration for regulatory review. PATTERNS is an advanced obstetrical tool that uses the power of the computer to provide objective, real-time detection, classification and labelling of fetal heart rate patterns in the assessment of fetal distress.
- Demonstrated its proprietary obstetrical systems at the Association of Women's Health, Obstetric and Neonatal Nurses (AWHONN) Conference held in Tampa, Florida, June 26-30, 2004. AWHONN is a leader among nursing associations serving more than 22,000 health care professionals. At the conference, the Company unveiled its CALM™ obstetrical technology seamlessly interfaced to the hospital-wide clinical information solutions of its US distribution partner.

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- Announced having signed contracts with the following centers of excellence for CALM™ technology to be installed in the coming months.

Dallas based Medical City Hospital will be installing the CALM™ Curve decision support component of the CALM™ technology in order to provide consistent, standardized assessment of labor management. With over 95 medical specialties being practiced under one roof, Medical City Hospital offers an unparalleled breadth and depth of medical care in North Texas. Its obstetrics department alone is responsible for some 3500 births a year. Medical City Hospital Center is a member of the Hospital Corporation of America group of hospitals which comprises over 150 HCA managed hospitals and outpatient surgery centers in 23 states.

Chicago based Rush Presbyterian-St.Luke's Medical Center has been focusing on standardizing labor management evaluation and will be installing the CALM™ Curve decision support component of the CALM™ technology. The 824-bed Rush Presbyterian-St.Luke's Hospital handles some 2500 births each year and is frequently ranked among the best hospitals in the nation by U.S. News & World Report. In June 2002, Rush became just the 51st medical center in the country to earn the prestigious Magnet Award for excellence in nursing services, the highest honor awarded by the American Nurses Association. The hospital is the main medical facility of Rush University, one of the first medical colleges in the Midwest and a top-ranked nursing college.

LMS will hold its Annual and Special Meeting of Shareholders on Wednesday September 15th at 4:15p.m. Eastern Time at the Queen Elizabeth Hotel in Montreal.

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.

Statements in this press release and any other statements, managements' future expectations, beliefs, goals, plans or prospects constitute 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 United States 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 regulatory approval process, competition, securing and maintaining corporate alliances, market acceptance of the Company's products, the availability of government and insurance reimbursements for the Company's products, the strength of intellectual property, financing capability, the potential dilutive effects of and 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.