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For Immediate Release

LMS ANNOUNCES THIRD QUARTER 2007 FINANCIAL RESULTS
TOTAL REALIZED AND SIGNED Q3 CONTRACTS UP 30% TO $1.3 MILLION
CONTRACT BACKLOG UP 75% TO $3.5 MILLION YEAR TO DATE

Montreal, Quebec, February 14, 2007 - LMS Medical Systems (TSX: LMZ, AMEX: LMZ), a healthcare technology company and developer of the CALM™ clinical information system and risk management software tools for obstetrics, today announced results of operations for the third quarter of F2007 ended December 31, 2006. All amounts are in Canadian dollars.

Revenues in Q3 2007 were $506,000 compared to $502,000 in Q3 2006 while contracts signed though not completed due to client availability or timely recognition of revenue, represented an additional $750,000. Year to date revenues increased to $1.4 million. The net loss for Q3 2007 was in line with expectations at $2.5 million ($0.14 per share) compared to $2.0 million ($0.12 per share) in the prior year. Scale up of the sales, marketing and product management expenses in anticipation of the introduction of new products in 2007 were the primary drivers of the increases in expenses.

Cash, cash equivalents, short-term investments and investments held to maturity, as at December 31, 2006 totaled $3.0 million compared to $5.6 million as at March 31, 2006. Year to date inflows from private placement financings totaled $3.8 million (net of issue costs of $0.28 million).

THIRD QUARTER HIGHLIGHTS:

- Total realized and signed contracts during the quarter reach $1.3 million and $3.0 million for the nine-month period.
- The backlog of signed and recurring contracts increased by $750,000 or 27% to $3.5 million from $2.75 million reported in Q2 2007.
- Identified sales opportunities increased from $24 million last quarter to $25 million after adjustment for the elimination of certain opportunities due to sales activity reorganization. As a result, LMS is better positioned to focus resources in a more strategic manner.
- Year to date revenues increased to $1.4 million.
- Q3 backlog included multiple signed contracts for CALM Clinical Information Systems and risk management products, as well as a newly signed contract for a large hospital group, and anticipated $750,000 in revenues. Contracts of this magnitude and nature confirm the acceptance and recognition of LMS' products, as a leading proprietary software solutions provider, leveraging innovative approaches for obstetrical risk prevention and reduction for hospitals and insurers.
- LMS completed the programming phase of the interoperability components for the private label OB solution under development for its distributor. Completion of the software bridge enables a seamless flow of administrative and clinical information between the LMS system and hospital information management systems. Quality assurance on the application is currently being carried out and will be followed immediately by early field implementation and thereafter release to the marketplace.
- LMS increases in backlog and sales opportunities over the last two quarters reflect the significant expected increase in revenues related to CALM Clinical Information Systems and associated risk management tools.

An expanded Management's Discussion and Analysis for the quarter, and previous periods, is accessible on the LMS website at www.lmsmedical.com and with Company's regulatory filings in Canada at www.sedar.com and in the United States at www.sec.gov.

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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 risk management tools designed to improve outcomes and patient care for mothers and their infants during labor and delivery.

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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NOTICE OF DISCLOSURE OF NON-AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS FOR THE PERIODS ENDED DECEMBER 31, 2006 AND 2005.

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if the external auditors have not performed a review of the interim financial statements, the interim financial statements must be accompanied by a notice indicating that they have not been reviewed by the external auditors.

The accompanying unaudited interim consolidated financial statements of the Company for the periods ended December 31, 2006 and 2005 have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management.

The Company's external auditors, Ernst & Young LLP, have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by the external auditors of an entity.

Dated this February 12, 2007.

INTERIM CONSOLIDATED BALANCE SHEETS

As at

	December 31, 2006 $	March 31, 2006 $
	[Unaudited]	
ASSETS		
Current assets		
Cash and cash equivalents	**1,925,724**	5,481,202
Short-term investments	**1,019,677**	–
Accounts receivable	**586,182**	563,436
Research and development tax credits receivable	**355,000**	260,000
Prepaid expenses	**175,102**	155,223
Total current assets	**4,061,685**	6,459,861
Investments - restricted *[at cost]*	**100,000**	100,000
Property, plant and equipment	**587,901**	550,167
Patents	**215,702**	191,172
	4,965,288	7,301,200
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**1,326,433**	1,436,442
Deferred revenues and deposits from distributors	**1,405,790**	984,180
Current portion of obligations under capital leases	**35,952**	36,437
Total current liabilities	**2,768,175**	2,457,059
Long-term portion of obligations under capital leases	**44,731**	49,379
	2,812,906	2,506,438
Shareholders' equity *[note 2]*		
Capital stock	**52,198,719**	47,665,694
Warrants	**225,496**	234,027
Contributed surplus	**2,587,334**	2,153,743
Accruals for expected bonus to be paid in Common Shares	**465,598**	485,373
Deferred share units	**375,191**	226,925
Deficit	**(53,699,956)**	(45,971,000)
Total shareholders' equity	**2,152,382**	4,794,762
	4,965,288	7,301,200

See accompanying notes

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

[Unaudited]

	Three-months ended December 31,		Nine-months ended December 31,	
	2006	2005	2006	2005
	$	$	$	$
Revenues				
Software licenses	**297,020**	300,387	**687,436**	916,857
Hardware	–	–	–	7,891
Technical support and other	**209,179**	201,433	**726,100**	395,691
Total revenues	**506,199**	501,820	**1,413,536**	1,320,439
Operating expenses				
Research and development	**1,043,517**	909,233	**3,014,048**	2,789,672
R&D Tax Credits	**(5,000)**	(57,387)	**(95,000)**	(169,954)
Net research and development	**1,038,517**	851,846	**2,919,048**	2,619,718
Royalties and other direct costs	**77,717**	77,164	**198,917**	191,788
Selling and market development	**748,080**	513,439	**2,201,825**	1,754,985
Administrative	**744,658**	660,586	**2,115,220**	2,062,663
Customer support	**226,121**	245,881	**701,471**	717,437
Quality assurance	**43,201**	50,275	**144,009**	150,077
Stock option expense	**97,962**	114,503	**425,060**	548,249
Amortization of property, plant and equipment	**86,497**	56,099	**247,324**	164,328
Amortization of patents	**1,399**	5,079	**10,253**	10,528
Foreign exchange loss (gain)	**4,912**	6,527	**4,197**	214
	3,069,064	2,581,399	**8,967,324**	8,219,987
Operating loss	**(2,562,865)**	(2,079,579)	**(7,553,788)**	(6,899,548)
Interest and other income, net	**(21,248)**	(63,018)	**(101,244)**	(287,717)
Net loss	**(2,541,617)**	(2,016,561)	**(7,452,544)**	(6,611,831)
Basic and diluted loss per share *[note 3]*	**(0.14)**	(0.12)	**(0.41)**	(0.40)

See accompanying notes

INTERIM CONSOLIDATED STATEMENTS OF DEFICITS

[Unaudited]

	Three-months ended December 31,		Nine-months ended December 31,	
	2006	2005	2006	2005
	$	$	$	$
Deficit, beginning of period	**(51,059,384)**	(41,160,098)	**(45,971,000)**	(36,564,828)
Net loss	**(2,541,617)**	(2,016,561)	**(7,452,544)**	(6,611,831)
Share issue costs	**(98,955)**	–	**(276,412)**	–
Deficit, end of period	**(53,699,956)**	(43,176,659)	**(53,699,956)**	(43,176,659)

See accompanying notes

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

[Unaudited]

	Three-months ended December 31,		Nine-months ended December 31,	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
OPERATING ACTIVITIES				
Net loss	**(2,541,617)**	(2,016,561)	**(7,452,544)**	(6,611,831)
Adjustments for non-cash items:				
Amortization of assets	**87,896**	61,178	**257,577**	174,856
Stock based compensation	**307,587**	260,503	**1,023,326**	1,002,874
	(2,146,134)	(1,694,880)	**(6,171,641)**	(5,434,101)
Net changes in non-cash operating working capital items	**212,040**	276,928	**38,863**	674,888
Cash flows related to operating activities	**(1,934,094)**	(1,417,952)	**(6,132,778)**	(4,759,213)
INVESTING ACTIVITIES				
Maturity of short-term investments	**1,005,476**	–	**1,005,476**	8,963,583
Purchase of short-term investments	**(1,019,677)**	–	**(2,025,153)**	–
Additions to property, plant and equipment and patents	**(79,769)**	(45,827)	**(184,768)**	(195,627)
Cash flows related to investing activities	**(93,970)**	(45,827)	**(1,204,445)**	8,767,956
FINANCING ACTIVITIES				
Repayment of obligations under capital leases	**(13,227)**	(11,524)	**(32,996)**	(33,319)
Issuance of obligations under capital leases	**27,903**		**27,903**	
Issuance of common shares	**1,563,250**	–	**4,063,250**	–
Share issue costs	**(98,955)**	–	**(276,412)**	–
Cash flows related to financing activities	**1,478,971**	(11,524)	**3,781,745**	(33,319)
Net change in cash and cash equivalents	**(549,093)**	(1,475,303)	**(3,555,478)**	3,975,424
Cash and cash equivalents, beginning of period	**2,474,817**	8,294,716	**5,481,202**	2,843,989
Cash and cash equivalents, end of period	**1,925,724**	6,819,413	**1,925,724**	6,819,413

See accompanying notes

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of business

LMS Medical Systems Inc. ["LMS"] is incorporated under the *Canada Business Corporations Act*. For over ten years, LMS has actively been developing and commercializing a series of leading edge software-based products to be used as decision support tools for obstetricians. LMS's pipeline of proprietary software tools addresses critical unmet medical needs in labour and delivery settings. While continuing to pursue its core research and development of new software tools, LMS has also been strengthening its product development as well as the implementation and enlargement of its sales and distribution network.

To date LMS has financed its cash requirements primarily from shares issuances, loans payable, convertible debentures, research and development tax credits and software and maintenance revenues. The success of LMS is dependent on obtaining the necessary regulatory approvals, generating revenue from the sale of its products and achieving profitable future operations.

Basis of presentation

These unaudited interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles [Canadian GAAP] for interim financial information. Accordingly, they do not include all of the disclosures required by Canadian or US GAAP for annual financial statements. In the opinion of management all adjustments of a normally recurring nature considered necessary for a fair presentation have been included. Operating results for the interim period are not necessarily indicative of the results that may be expected for the full year. These unaudited interim consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements of LMS as at March 31, 2006 and 2005 and for the years ended March 31, 2006 and 2005, the five-month period ended March 31, 2004 and the year ended October 31, 2003. The accounting policies and methods followed in the preparation of these unaudited interim consolidated financial statements are the same as those in the audited annual consolidated financial statements of LMS. The consolidated balance sheet as at March 31, 2006 has been derived from the audited consolidated financial statements of LMS at this date but does not include all of the information and footnotes required by Canadian or US GAAP for complete financial statements.

2. CAPITAL STOCK

An unlimited number of common shares without par value are authorized.
Changes in common shares issued and outstanding during the nine-month period are summarized as follows:

	Number	$
Common shares		
Balance as at March 31, 2006	**16,523,449**	**47,665,694**
Shares issued under the Bonus Plan	**235,046**	**484,195**
Shares issued under private placements	**2,095,000**	**4,063,250**
Balance as at December 31, 2006	**18,853,495**	**52,213,139**

During the nine-month period ending December 31, 2006, LMS issued in form of a private placement: 1,250,000 common shares, at $2.00 per share in the first quarter of 2007 and 845,000 common shares, at $1.85 per share in the third quarter. Total proceeds for both placements were $4,063,250. Share issue expenses for both placements of $276,412 were recorded within deficit.

2. CAPITAL STOCK [CONT'D]

Bonus Plan

In fiscal 2005, LMS established a Bonus Plan [the "Bonus Plan"] that provides for annual awards to eligible executives and employees based on achievement of corporate and individual performance objectives. The fair value of these awards is paid in common shares, the number of which is based upon dividing the total award by the five day average year-end closing market price of the common shares on the Toronto Stock Exchange. In September 2005, at the annual and special meeting of shareholders, the Bonus Plan was approved. In August 2006, at the annual and special meeting of shareholders, the maximum number of shares issuable under this plan was increased from 250,000 to 500,000. For the year ending March 31, 2006, LMS has recorded bonus expense in the amount of $485,373 [235,618 common shares], within the shareholders' equity section.

Upon the approval by the Board of Directors, 235,046 shares were issued by LMS during the nine-month period ending December 31, 2006, relating to the year ended March 31, 2006. During the nine-month period ended December 31, 2006, LMS has recorded $450,000 as bonus expected to be paid in common shares for the fiscal 2007 year ($150,000 for the three-month period ended December 31, 2006).

Deferred Share Unit Plan

In fiscal 2005, LMS established a Deferred Share Unit plan [the "DSU Plan"] that provides for the payment of director's quarterly compensation with deferred share units. Each deferred share unit is a right granted by LMS to an eligible director to receive one common share upon termination of service. The number of deferred share units to be granted under the DSU Plan is determined by dividing the quarterly director compensation by the five day average quarter end closing market price of the common shares on the Toronto Stock Exchange. In September 2005, at the annual and special meeting of shareholders, the DSU Plan was approved. In August 2006, at the annual and special meeting of shareholders the maximum number of deferred share units issuable under this plan was increased from 125,000 to 250,000. Under the DSU plan, LMS has the option to remit either cash or common shares to settle the deferred share units.

Total director compensation expense for the nine-month period ended December 31, 2006 was $168,875 and 103,114 deferred share units were granted. During the nine-month period ended December 31, 2006, 8,028 deferred share units were cancelled, at the request of the director, and related director compensation of $20,609 was reversed.

The changes to the DSU Plan balance, number of deferred share units outstanding and the weighted average price of grant or issue are as follows:

	Number of DSU Units #	DSU Plan balance $
Balance as at March 31, 2006	**101,230**	**226,925**
Units granted during the period	103,114	168,875
Units cancelled during the period	(8,028)	(20,609)
Balance as at December 31, 2006	**196,316**	**375,191**

Warrants

	#	$
Balance as at March 31, 2006	624,683	234,027
Expired	(25,689)	(8,531)
Balance as at December 31, 2006	**598,994**	**225,496**

During the nine-month period ended December 31, 2006, 25,689 warrants expired. These warrants were valued at $8,531. This amount has been credited to contributed surplus. As at December 31, 2006 each outstanding warrant

2. CAPITAL STOCK [CONT'D]

allows its holder to acquire one common share for cash consideration of: $3.23 for 578,994 warrants and $4.85 for 20,000 warrants. The warrants expire from January 2007 to September 2009 with an average remaining life of 1.7 years as at December 31, 2006. When warrants are exercised or expired, the carrying value of the warrants is credited to contributed surplus.

Stock Options

The changes to the number of stock options outstanding and their weighted average exercise prices for the nine-month period ending December 31, 2006, are as follows:

	Number	Weighted average exercise price $
Balance as at March 31, 2006	1,563,397	3.92
Granted	382,000	2.12
Expired	(150,364)	4.30
Balance as at December 31, 2006	**1,795,033**	**3.48**

Additional information concerning stock options outstanding as at December 31, 2006 is as follows:

	Options outstanding			Options exercisable	
Exercise price	#	Weighted average Contractual life (Years) #	Weighted average exercise price $	#	Weighted average exercise price $
$1.80 - $2.06	**364,000**	**4.2**	**1.99**	**33,333**	**1.80**
$2.25 - $2.45	**323,359**	**3.6**	**2.38**	**88,453**	**2.40**
$3.69 - $4.00	**149,110**	**2.7**	**3.95**	**107,443**	**3.93**
$4.28 - $4.62	**958,564**	**2.2**	**4.35**	**700,165**	**4.37**
$1.80 - $4.62	**1,795,033**	**2.9**	**3.48**	**929,394**	**4.04**

As at January 31, 2007 the Company had 1,795,033 share stock options outstanding.

During the nine-month period ended December 31, 2006 the Company issued an additional 382,000 options to its employees, directors and consultants. The fair value of these options will be recorded over the remaining vesting period. The weighted average assumptions used included: expected life of 5 years, fair value of $1.97 per common share, dividend yield of nil, volatility factor of 0.44 and risk free interest rate of 3.35%.

Prior to November 1, 2003, no compensation expense was recognized when options were issued to employees and directors. Pro forma disclosure regarding options granted under the LMS stock option plan prior to November 1, 2003 is as follows:

	Three months ended December 31,		Six months ended December 31,	
	2006 $	2005 $	2006 $	2005 $
Net loss	**(2,541,617)**	(2,016,561)	**(7,452,544)**	(6,611,831)
Stock-based compensation costs that would have been included in the determination of net loss if the fair value based method has been applied	**(2,985)**	(10,498)	**(8,955)**	(61,547)
Pro forma net loss	**(2,544,602)**	(2,027,059)	**(7,461,499)**	(6,673,378)
Pro forma basic and diluted loss per share	**(0.14)**	(0.12)	**(0.41)**	(0.40)

3. BASIC AND DILUTED LOSS PER SHARE

The numerator and denominator for the calculation of basic and diluted loss per share are as follows:

	Three months ended December 31,		Six months ended December 31,	
	2006	**2005**	**2006**	**2005**
	$	**$**	**$**	**$**
Numerator				
Net loss attributable to common shares - basic and diluted	**(2,541,617)**	(2,016,561)	**(7,452,544)**	(6,611,831)
Denominator				
Weighted-average number of common shares - basic and diluted	**18,698,310**	16,523,449	**18,078,962**	16,508,245

4. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the basis of presentation adopted in the current periods.