

LMS Medical Systems Inc.

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For Immediate Release

MCKESSON TO SELL LMS SOLUTIONS UNDER MCKESSON'S HORIZON CLINICALS™ BRAND

MONTREAL, Quebec, October 20, 2004 – LMS Medical Systems (TSX: LMZ), a healthcare technology company and developer of the CALM™ system (Computer Assisted Labor Management) today announced that McKesson Provider Technologies, a member of the McKesson Corporation, has assumed responsibility for the sales and marketing of LMS proprietary OB solutions to McKesson customers under its Horizon Clinicals™ private label.

LMS and McKesson have combined their leading clinical solutions in order to provide a robust labor and delivery solution that addresses the needs of today's maternal-fetal care. The exceptional features of the LMS and Horizon Clinicals™ solutions will provide medical professionals and risk managers with patient tracking, nursing documentation, maternal and fetal monitoring, decision support and electronic archival functionality within one innovative care management package that supports improved patient safety and positive outcomes for both mothers and their infants. LMS will continue to sell and deliver its CALM™ technology to other market segments through its own direct sales force.

“The shared values of our respective organizations particularly those relating to quality, performance in clinical solutions and customer support are well reflected in this joint effort, said Diane Côté, President and CEO of LMS. “We believe that this product offering addresses important maternal-fetal care issues including marketplace imperatives: end-to-end hospital-wide operations, improved understanding of clinical complexities and end-user sensitivity and support. We are pleased to be working with McKesson whose healthcare leadership, technology expertise and market reach are well recognized.”

McKesson Corporation is a Fortune 16 healthcare services and information technology company dedicated to helping its customers deliver high-quality healthcare by reducing costs, streamlining processes and improving the quality and safety of patient care. Over the course of its 170-year history, McKesson has grown by providing pharmaceutical and medical-surgical supply management across the spectrum of care; healthcare information technology for hospitals, physicians, homecare and payors; hospital and retail pharmacy automation; and services for manufacturers and payors designed to improve outcomes for patients.

LMS is a leader in the medical use of advanced mathematical modeling and neural networks. The LMS product 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.