

LMS Medical Systems Inc.

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For Immediate Release

LMS SOLUTIONS CHOSEN BY LEADING U.S. HOSPITAL CENTERS

Montreal, Quebec, June 29, 2004 – LMS Medical Systems (TSX: LMZ), a healthcare technology company and developer of the CALM™ system (Computer Assisted Labor Management) today announced that it has 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 2,500 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.

“We are very pleased to have these centers of excellence selecting LMS solutions”, said Dr. Emily Hamilton, VP of Medical Research. “Their choice of the CALM™ technology demonstrates clinical leadership in support of quality improvement and patient care strategies.”

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