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WELLPOINT SYSTEMS ANNOUNCES 2007 YEAR END RESULTS; REPORTS RECORD REVENUE

CALGARY, Alberta – April 10, 2008 – WellPoint Systems Inc, (WPS:TSX-V), a leading provider of software and related solutions to the energy industry, today announced its financial results for the year ended December 31, 2007. All monetary values are in Canadian dollars unless otherwise indicated.

Selected 2007 Highlights

Financial

- Total revenue increased 80.1% to \$28.8 million in 2007, from \$16.0 million in 2006;
- International revenue increased by \$14.4 million, to \$20.4 million in 2007 from \$6.0 million in 2006;
- License revenue increased to \$10.3 million in 2007, an increase of 74.4% from the prior year; and
- Gross profit for 2007 was \$19.4 million (67.3% of total revenue), compared with \$10.9 million (67.9% of total revenue) for 2006.

Operational

- Acquired Bolo Systems, Inc., a leading provider of integrated multi-tiered financial, land and production accounting solutions for the oil and gas industry in the United States. The acquisition allowed WellPoint to gain improved access to the United States energy market through Bolo's existing 125+ customers;
- Acquired iSoft Technologies (Pty) Ltd. ("iSoft") whose software applications focus primarily on enterprise asset management ("EAM"), which is especially relevant to asset intensive industries like mining and energy. WellPoint believes iSoft's Maintenance, Repair and Operation ("MRO") module to be the most valuable mining intellectual property within the Microsoft application suite;
- Signed a significant software licensing, services and maintenance contract with a South American national oil company to provide financial enterprise software to several subsidiaries of the entity;
- Launched WellPoint Energy Broker; a solution designed to provide multi-commodity marketing functionality to midstream companies; and
- Named the 2007 Microsoft Dynamics™ Partner of the Year for Canada.

"2007 was highlighted by the completion of two key acquisitions that, coupled with the purchase of IDEAS in 2006, allowed us to generate significant revenue growth," said Frank Stanford, CEO of WellPoint Systems. "Our focus in 2008 will be on leveraging opportunities in key markets internationally, particularly the U.S. and South America; exploiting additional synergies stemming from the completed acquisitions; driving operational efficiencies; and ramping up sales and marketing activities around our Energy Broker and EAM products."



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2007 Financial Review

Revenue for the 2007 fiscal year was \$28.8 million compared with \$16.0 million in the prior year, mainly as a result of growth from the acquisitions of Bolo, iSoft, and IDEAS. Revenue from outside Canada increased to \$20.4 million (70.7% of revenue) in 2007 from \$6.0 million (37.6% of revenue) in 2006, primarily due to the increase in United States revenue following the aforementioned acquisitions, and as a result of the contract signed with WellPoint's new South American customer. Software license revenue increased to \$10.3 million in 2007 from \$5.9 million in 2006, while maintenance revenue rose to \$6.6 million in 2007, or 52.6%, from \$4.4 million in 2006. Professional services revenue grew from \$5.7 million in 2006 to \$11.9 million in 2007, a total increase of 107%. This significant percentage increase was primarily due to acquisitions and the South American contract, as well as strong license sales in 2006 that drove related professional services delivered, and hence was recognized as revenue, in 2007.

Gross profit for 2007 was \$19.4 million (67.3% of total revenue) compared with \$10.9 million (67.9% of total revenue) for 2006. The increase in gross profit dollars is attributable to and consistent with the 80.1% increase in revenue. Gross profit on license sales increased to 87.6% (2006-78.4%), primarily due to the higher gross margin percentage of software license revenue on software platforms that the Company sells that do not require any payments to third parties. Gross profit on maintenance and support revenue decreased to 55.9% (2006-61.8%), primarily due to the significant increase in lower margin professional services revenue recorded in 2007.

Sales, general and administrative expenses increased to \$13.4 million (46.5% of revenue) for 2007 compared with \$6.9 million (43% of revenue) in 2006. The \$6.5 million increase primarily relates to the agent-related costs for the \$5.0 million in revenue from the new customer in South America, the impact of the 2007 acquisitions, the full year impact of the 2006 acquisition of IDEAS, and additional sales and marketing costs related to international markets. Salaries and benefits account for the largest portion of the sales, general and administrative expenses.

In 2007, the Company incurred research and development expenses of \$1.6 million (5.6% of revenue) compared with \$0.6 million (4.0% of revenue) in 2006. The increase is primarily related to the research in connection with ongoing projects undertaken by the companies acquired in 2007. When combined with development expenditures capitalized in the year, the Company invested \$4.6 million (16.1% of revenue) in 2007 compared with \$2.8 million (17.5% of revenue) in 2006. The \$1.8 million increase is primarily attributable to investments in WellPoint Energy Broker, launched in 2007, and additional investments made by the companies acquired in 2007. Following its review of deferred development costs in the fourth quarter of 2007, management determined that \$0.5 million of deferred development costs were required to be written off in 2007 (2006-nil).

Depreciation and amortization expenses increased to \$2.8 million for 2007 as compared to \$1.2 million for 2006. The increase primarily relates to the acquisitions completed in 2006 and 2007 and the commencement of amortization of deferred development costs in connection with WellPoint Energy Broker introduced in 2007.

Net loss for 2007 was (\$3.7) million compared with net income of \$0.6 million for 2006. The loss was partially mitigated by a number of factors including: a \$0.3 million increase in gross margin less sales, general and administrative expenses, facilities and research expenses on 2007 revenue growth of \$12.8 million; a \$1.6 million increase in the foreign exchange gain due to the strength of the Canadian dollar in 2007 vs. the United States dollar; and, a reduction in income tax expense of \$0.6 million. This was offset by a \$4.7 million increase in depreciation and



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amortization, interest expense and financing and amortization of debt and note payable issue costs primarily related to 2007 acquisitions; the write-down of deferred development costs of \$0.5 million; and the goodwill impairment charge of \$1.6 million.

Basic and diluted net income (loss) per share for 2007 was (\$0.093) compared with \$0.019 for 2006. The decrease in basic and diluted net income (loss) per share is primarily a result of the net loss for the year.

Adjusted EBITDA (loss) was (\$0.2) million in 2007 compared with Adjusted EBITDA of \$0.6 million in 2006. The loss was the result of deferred development costs for WellPoint Energy Broker, which was launched in 2007, as well as additional investments made by the companies acquired in 2007.

As a result of the reclassification of long-term debt and convertible debentures to current liabilities, there was a working capital deficiency of \$23.2 million as at December 31, 2007. This includes \$15.2 million in respect of the Crown Note payable that was repaid on March 11, 2008, and \$6.2 million in convertible debentures, which were amended subsequent to year end. Excluding these amounts from the working capital calculation as at December 31, 2007 would have resulted in a working capital deficiency of \$1.8 million. The decrease in working capital is primarily due to investing activities during 2007. The Company expects that an increased credit facility and cash flow from operations will be sufficient to meet the Company's current requirements for planned growth, debt repayment obligations, earn-out payments, and to fund future capitalized expenditures.

Fourth Quarter Financial Review

Revenue for the fourth quarter ended December 31, 2007 was \$7.7 million compared with \$5.3 million a year ago. The increase was mainly as a result of growth from the 2007 Bolo and iSoft acquisitions. The Adjusted EBITDA (loss) for the quarter was (\$1.7) million compared with Adjusted EBITDA of \$0.5 million in the same quarter a year ago. The net loss for the quarter was (\$4.7) million compared with a net income of \$0.5 million in the same period a year ago. There were a number of factors, some non-cash and one-time, that contributed to the net loss in the fourth quarter of 2007, including the following:

- \$0.6 million in business unit operating losses primarily due to a change in revenue mix to lower margin professional services revenue (55% of Q4 2007 total revenue versus 31% in Q4 2006), \$0.7 million in software license fees received in 2007 that will be recognized as revenue in 2008 following installation of the software, and increases in operating expenses including \$0.3 million in additional one-time costs incurred in connection with the new South American customer;
- \$0.5 million non-cash charge consisting of a write-down of deferred development costs;
- \$0.9 million in interest expense primarily related to acquisitions;
- \$1.2 million in depreciation and amortization primarily related to acquisitions;
- \$1.6 million in financing and amortization of debt and notes payable issue costs primarily in connection with the accretion in the Crown note payable as at December 31, 2007 to account for the face value of the debt ultimately paid on March 11, 2008; and



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- \$1.6 million non-cash goodwill impairment charge.

The increase in the Q4 loss was partially offset by a \$0.5 million foreign exchange gain.

(1) Non-GAAP Financial Measure

In addition to providing earnings measures in accordance with Generally Accepted Accounting Principles (GAAP), WellPoint presents a non-GAAP earnings measure-Adjusted EBITDA which is Standardized EBITDA¹ excluding foreign exchange gains, write down of deferred development costs, goodwill impairment, financing costs and after deducting capitalized development expenditures. This serves as a measure of the operating performance prior to taking into consideration how the Company is financed, taxed and how tangible and intangible assets are depreciated or adjusted. It also useful in assessing valuation. This measure does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. Adjusted EBITDA is provided to assist investors in determining the ability of WellPoint to generate cash from operations, to service the interest on indebtedness and to fund deferred development costs. A reconciliation of Adjusted EBITDA to a GAAP financial measure is shown below:

1. Standardized EBITDA is a non-GAAP measure. Standardized EBITDA is in accordance with the definition noted in the Canadian Institute of Chartered Accountants ("CICA") draft publication "Improved Communication with Non-GAAP Financial Measures" issued by the Canadian Performance Reporting Board of the CICA.

<u>(in thousands)</u>	<u>2007</u>	<u>2006</u>
Net income (loss)	\$ (3,674)	\$ 637
Interest	1,844	584
Income taxes	(382)	232
Depreciation and amortization	2,769	1,216
Amortization of convertible debt issue costs	114	75
Amortization of long term notes payable issue costs	1,651	
Standardized EBITDA	2,322	2,744
Plus write down of deferred development costs	529	
Plus goodwill impairment	1,605	
Less foreign exchange gain	(1,634)	(22)
Less deferred development costs	(3,037)	(2,155)
Adjusted EBITDA	\$ (215)	\$ 567

Complete financial statements can be found on the SEDAR website (www.sedar.com), or on the company's website (www.wellpointsystems.com).



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About WellPoint Systems Inc.

WellPoint Systems provides premier software and related services for managing critical operations within the energy industry. Aligning tightly with Microsoft Corporation, WellPoint is the only Independent Software Vendor (ISV) and Microsoft Dynamics partner dedicated to the energy sector. It is breaking new ground with the creation of a more comprehensive, integrated energy software suite based on existing Microsoft ERP technology that utilizes state-of-the-art Dynamics AX[®] and .NET architectures. WellPoint became a Microsoft Gold Certified Partner in 2005. Founded in 1997, Calgary-based WellPoint Systems also has major operations in Houston, TX, Denver, CO, Bogota, Columbia and London, England. WellPoint is publicly traded on the TSX Venture Exchange under the symbol WPS.

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This document contains forward-looking statements. Some forward looking statements may be identified by words like "expects", "anticipates", "plans", "intends", "indicates" or similar expressions. The statements are not a guarantee of future performance and are inherently subject to risks and uncertainties. The Company's actual results could differ materially from those currently anticipated due to a number of factors, including, but not limited to, successful integration of structural changes, including restructuring plans, acquisitions, technical or manufacturing or distribution issues, the competitive environment for the Company's products, the degree of market penetration of the Company's products, and other factors set forth in reports and other documents filed by the Company with Canadian securities regulatory authorities from time to time.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.