



## EVOLVED DIGITAL SYSTEMS INC RELEASES RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2007

Montréal, (Québec, Canada) – August 13, 2007 / CNW/ - Evolved Digital Systems Inc. (TSX: EVD)(the “Company”), a leading healthcare technology solutions company, today announced its results for the quarter and six months ended June 30, 2007.

Loss from continuing operations improved approximately 39% for the second quarter of 2007 as compared to the same period in 2006. The improvement of better than \$.5 million is primarily due to a continued decrease in operating expenses which was partially offset by a reduction in related revenues. Revenue declined by approximately 21% primarily as a result of the expiration or maturity of several historical transactions in addition to a multi-site contract that was not renewed. The decline in revenue was substantially offset by a similar reduction in cost of services expenses (34%) as well as a reduction in selling and administrative expenses largely resulting from the 2006 reduction in workforce.

The results of the Canadian operations have been classified as discontinued operations resulting in net income from discontinued operations of \$8,027,740 for the six-months ended June 30, 2007 as compared to \$164,916 for the comparable period in 2006. The increase is primarily attributable to the gain recognized on the asset purchase transaction discussed below.

On April 25, 2007 the Company completed an asset purchase transaction with Shimadzu Corporation (Shimadzu) whereby Shimadzu purchased substantially all of the assets of the Canadian operations of the Company for US\$8.5 million. The proceeds were used to repay all of the Company’s secured and unsecured debt totaling approximately US\$5.7 million.

Current initiatives are beginning to generate sales activity with the completion of two customer installations during the second quarter as well as the recent commitment of 9 additional sites for various services. The Company expects to see modest improvement in the financial results from this activity later this year.

### Financial highlights:

Three months ended June 30,	2007	2006	% Change
<i>(in thousands, except share and per share data)</i>			
Total revenue – continuing operations	\$ 1,884.8	\$ 2,402.0	(21.5%)
Net income (loss):			
From continuing operations	(805.2)	(1,315.0)	(38.8%)
From discontinued operations	7,954.1	46.7	16,932.3%
Net income (loss)	7,149.0	(1,268.2)	663.7%
Basic and diluted income (loss) per share:			
From continuing operations	(0.01)	(0.02)	–
From discontinued operations	0.14	0.00	–
Basic and diluted income (loss) per share	\$ 0.13	\$ (0.02)	–
Weighted average number of common shares outstanding during the period	56,488,540	56,488,540	–

<b>Six months ended June 30,</b>	<b>2007</b>	<b>2006</b>	<b>% Change</b>
<i>(in thousands, except share and per share data)</i>			
Total revenue – continuing operations	\$ 3,636.8	\$ 4,900.8	(25.8%)
Net income (loss):			
From continuing operations	(2,121.6)	(2,476.4)	(14.3%)
From discontinued operations	8,027.7	164.9	4,767.8%
Net income (loss)	5,906.1	(2,311.6)	355.5%
Basic and diluted income (loss) per share:			
From continuing operations	(0.04)	(0.04)	–
From discontinued operations	0.14	0.00	–
Basic and diluted income (loss) per share	\$ 0.10	\$ (0.04)	–
Weighted average number of common shares outstanding during the period	56,488,540	56,488,540	–

## About Evolved

Through its Digital Imaging Workflow Solution, Evolved serves its clients with a Managed Services approach proven to increase operational efficiency and to reduce IT spending in hospitals and imaging facilities across the United States. Evolved's fully managed, web-based RIS solution includes image and data verification from a modality to the archive and/or HIS, on-line dictation and transcription, and optional integrated PACS with 5 years of on-site storage. Evolved's Managed Services offering provides a unique workflow solution seamlessly integrated, and backed by a highly qualified and dedicated team of experts. Evolved's clients can additionally choose to utilize Evolved's secure, state of the art data center for offsite archiving and disaster recovery. Evolved's solution addresses common challenges small to medium sized facilities face today by providing custom solutions, founded on a pay as you go financial model, and backed by unparalleled off-site customer service and support. Evolved is a publicly traded company listed on the Toronto Stock Exchange (TSX: EVD). Corporate headquarters are based in Laval, Quebec. U.S. offices are located at 5141 Virginia Way, Suite 300, Brentwood, TN 37027.

For more information, contact EVOLVED at 1-800-5EVOLVED or visit the company website at [www.evolveddigital.com](http://www.evolveddigital.com)

**FORWARD\_LOOKING STATEMENTS:** Certain statements in this communication may constitute forward-looking statements. They are based on management's current expectation and could be affected by numerous factors and are subject to various risks and uncertainties. Certain of those risks and uncertainties are discussed in company filings with the Canadian Securities Commission. Do not rely on any forward-looking statements as we cannot predict or control many of the factors that ultimately may affect our ability to achieve the results estimated. We make no promise to update any forward-looking statement, whether as a result of changes in underlying factors, new information or future events.

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The TSX has neither approved nor disapproved the information contained herein.