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EVOLVED DIGITAL SYSTEMS INC. RELEASES ITS FIRST FINANCIAL RESULTS SINCE ITS BUSINESS COMBINATION WITH INPHACT INC.

Montréal, (Québec, Canada) – April 23, 2004 / CNW/ - Evolved Digital Systems Inc. (TSX: EVD), a leading healthcare technology solutions company, today announced its results for the year ended December 31, 2003. This is the first time the Company has reported its results since the business combination of the Company with INPHACT, Inc., concluded on October 15, 2003. Consequently, the consolidated results of operations and cash flows for the period from January 1, 2002 to October 15, 2003 are those of INPHACT only. Thereafter, the consolidated financial statements include the accounts of the Company and its subsidiaries.

Total revenue for fiscal year 2003 amounted to \$12.2 million compared to \$9.6 million for 2002. Cardiology revenue accounted for \$1.5 million of this amount since the business combination.

Loss from operations was \$26M compared to \$21.3M last year. This loss included an impairment of capitalized software expense of \$4.4M compared to \$1.4M last year. During the fourth quarter of fiscal 2003, Evolved performed its annual goodwill impairment test. As a result, goodwill was determined to be impaired creating a loss of \$40.4 million. Net interest expenses were \$19.2 million compared to \$11.2M. Of this amount, \$15.1M was related to subordinated convertible securities that were converted at the time of the business combination.

The Company reported a net loss of \$86.2 million or \$6.58 per share compared to \$32.6 million or \$21.56 per share last year. The net loss includes \$60.1M of non-recurring charges.

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About Evolved

With over 110 customer locations across North America, Evolved has become a leading healthcare technology solutions company. Its services and enabling technologies transform hospital and clinic imaging departments from manual to digital-based systems, improving efficiency, turnaround time, and patient care.

Evolved is a publicly traded company listed on the Toronto Stock Exchange. Corporate headquarters are based in Laval, Quebec. U.S. offices are located in Brentwood, Tennessee. For more information, contact EVOLVED at 877-5EVOLVED or visit the company website at 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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