

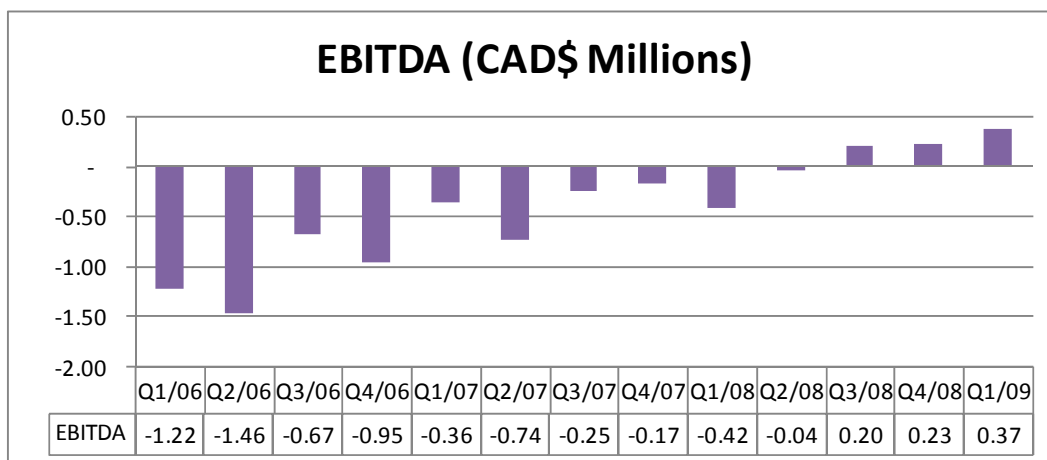
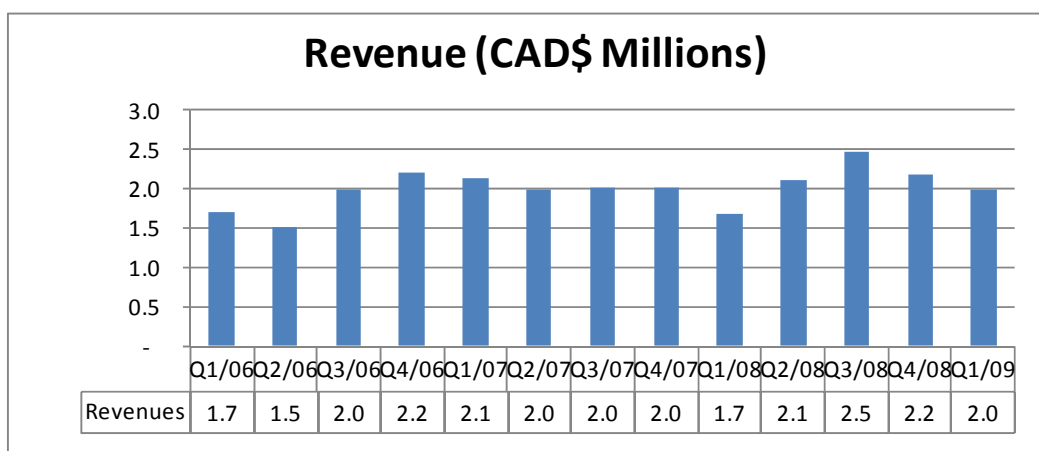
QUORUM INFORMATION TECHNOLOGIES INC.

(\$0.05; QIS: TSX-V)

52-Week Range: \$0.63-\$0.01

RECENT DEVELOPMENT: FIRST-QUARTER RESULTS

Quorum Information Technologies Inc. reported financial and operating results for the first quarter of 2009. The charts below show the Company's revenue and EBITDA trends since 2006.





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ANALYSIS

- Revenue declined by 13% compared with Q4/08, but increased by 13.3% compared with the same quarter a year earlier. The revenue trend reflects: (1) a gradual increase in the customer base; and (2) market acceptance of the XSELLERATOR™ product. It also reflects the current difficult situation of the North America automobile industry in general and the auto dealership in particular.
- The Company has achieved positive EBITDA for the third quarter in a row. EBITDA for Q1/09 improved to \$369,000, a 63% increase compared with Q4/08. The Company incurred negative EBITDA until Q3/08. The increase in EBITDA reflects Quorum's successful efforts to control operating costs, and an increase in gross margins on the Company's XSELLERATOR™ product.
- The business environment going forward for Quorum will be challenging, however, with the industry undergoing a transformation, and with General Motors (GM) - the Company's largest customer - downsizing its production and dealership businesses.
- The Company currently has a reasonable client base of 225 customers (75% in Canada and 25% in the USA). The degree of customer concentration is relatively high toward GM, with 60% of customers being Chevrolet dealerships. We believe that with GM's latest decision to cut 1,000 dealerships in the USA and Canada, Quorum's revenue growth prospects could be significantly impacted over the next year.
- We are, however, uncertain about the degree to which the GM decision will impact Quorum. We do believe that the Company's EBITDA would remain positive even with a moderate reduction in revenue.

Further details on Quorum Technologies' first-quarter results are contained in the Company's May 20, 2009 news release, available on SEDAR at www.sedar.com.

THE COMPANY

Quorum Information Technologies Inc. develops, markets, implements and supports its software product XSELLERATOR™, a dealership management system for the automotive retail market. The Company's customers include General Motors, Chrysler and Hyundai dealerships in North America.



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RATINGS HISTORY

<u>Date</u>	<u>Report Type</u>	<u>Recommendation</u>	<u>Stock Price</u>	<u>Target Price</u>
Mar. 9, 2009	Initiating	Speculative Buy	\$0.05	None
May 22, 2009	Bulletin	No Change	\$0.05	None

High-Low Since Initiating: \$0.105-\$0.025

NOTE: *eResearch reports on Quorum Information Technologies Inc. and other companies are available FREE on our website at www.eresearch.ca.*

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