

Quadrant 4 System Reports First Quarter Financial Results

Company Achieves 16th Consecutive Quarter of Positive EBITDA

ROLLING MEADOWS, Ill., May 14, 2014 (GLOBE NEWSWIRE) -- Quadrant 4 System (OTCQB:QFOR) ("Quadrant 4" or the "Company") reports its financial results for the first quarter ended March 31, 2014.

First Quarter 2014 Financial Highlights:

- Revenue increased 4% year-over-year to \$10.3 million
- Gross profit increased 7% year-over-year to \$2.5 million
- Gross margin percentage improved to 25% from 24% in the year-ago period
- EBITDA for the quarter was \$1.2 million
- Net loss per share remained flat at \$0.01 per share year-over-year

Dhru Desai, Chairman of the Board and Chief Financial Officer, stated, "Our accomplishments in 2013 set the stage for 2014 and beyond. By acquiring key assets that we successfully integrated into our solutions platform, and bringing these assets under a unified Quadrant 4 brand, we laid a strong and enduring foundation that will continue to drive double-digit revenue growth and positive EBITDA results."

"We're making tremendous progress in all three of our focus industry verticals, healthcare, retail/logistics, and media," continued Desai. "Most recently in our media segment, we announced a major contract with a leading publishing house that is expected to generate \$50 million in revenue over the next five years. We also continue to see growing momentum in our healthcare exchange pipeline, now reaching nearly 19 million potential covered lives in a market estimated at greater than 100 million people. With a new version of our QHIX healthcare exchange platform expected to be released this quarter, we anticipate further acceleration of new contracts and implementations."

Desai continued, "Despite a historically slow quarter for the IT industry, we are happy to report continued revenue growth and margin improvement for Quadrant 4."

Revenue for the first quarter increased 4% to \$10.3 million, compared to \$9.9 million in the first quarter of 2013. The increase in revenue was primarily due to organic and inorganic growth in the Company's customer base. Revenue was comprised of service-related sales of software programming, consulting, and development services. Gross profit increased 7% to \$2.5 million in the first quarter, compared to \$2.4 million in the year ago period. Gross margin percentage improved to 25% for the quarter, compared to 24% in the first quarter of 2013.

Earnings before interest, taxes, depreciation and amortization were \$1.2 million in the first quarter, compared to \$1.3 million in 2013. Net loss increased to \$0.5 million in the first quarter, compared to \$0.4 million in the year ago period. GAAP net loss per common share remained flat

year-over-year at \$0.01 per share.

"We continue to strengthen our balance sheet, evidenced by another 31% reduction in long-term debt at quarter end compared to year-end 2013, and we expect to reach profitability for the year post non-cash charges," stated Desai. "Operating from a strong foundation, we're in an ideal position to capitalize on the many significant opportunities in front of us. We're excited for the many successes we see on the horizon and look forward to sharing these accomplishments with you."

Conference Call Information:

Quadrant 4 will hold a conference call on Thursday, May 15, 2014, at 4:15 p.m. ET to discuss its results. To participate in the call, please dial (877) 941-4776 or (480) 629-9714 for international calls, approximately 10 minutes prior to the scheduled start time. Interested parties can also listen via a live Internet webcast, which can be found via the Company's website at <http://qfor.com/Investors.php>.

A replay of the call will be available for two weeks from 7:15 p.m. ET on May 15, 2014, until 11:59 p.m. ET on May 29, 2014. The number for the replay is (877)-870-5176, or (858) 384-5517 for international calls; the passcode for the replay is 4683770. In addition, a recording of the call will be available via the Company's website at <http://www.qfor.com>.

About Quadrant 4 System Corporation

Quadrant 4 System is an IT software company that develops and implements mission-critical cloud-based enterprise systems for both Fortune 500 companies and smaller enterprises. With over 1000 associates around the globe, Quadrant 4 Systems services over 150 companies worldwide. The company is a leading provider of Health Exchange platforms (QHIX) and a proprietary set of SMAC (social media, mobility, analytics and cloud computing) technology solutions to enterprise clients in the Financial Services, Health Care, Retail and Manufacturing sectors. More information about Quadrant 4 System can be found at <http://www.qfor.com>.

Forward-Looking Statements

This release contains forward-looking statements, which are subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not statements of historical fact should be considered to be forward-looking statements. Certain factors could cause actual results and conditions to differ materially from those projected in such forward-looking statements. We do not undertake any obligation to release publicly revised or updated forward-looking information, and such information included in this release is based on information currently available and may not be reliable after this date.

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