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Investment Profile

OTC BB: NMXC

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New Mexico Software Q3 Revenue Up 57% to \$912K; Nine Months Revenue Up 185% to \$2.7M. Radiological Services Growing Rapidly



COMPANY DESCRIPTION

New Mexico Software (NMXC) develops and provides medical IT services and solutions that enable improved and faster communication within the preventative, comprehensive and critical healthcare segments. NMXC has several subsidiaries that provide medical diagnostic reading services.

TeleRad Services (TRS) is a wholly owned subsidiary of NMXC whose primary focus is to deliver interpretive radiological cases studies for medical facilities.

TeleCardio EXpress (TCE) is a new division that is pioneering cardiology interpretations via the Internet similar to the services provided by TRS.

TeleQA EXpress (TQA) offers facilities the capability to do blind peer review studies of interpretative studies already completed. These reviews provide continual feedback to customers on patient care.

NMXC uses its medical image management system, XR-EXpress (XREX), to receive medical imaging scans from clinical sites and connects licensed doctors with the ability to access the scans and generate final reports. XR-EXpress received its FDA 510(k) clearance in 2008.

OTCBB: NMXC

Closing Price (01/26/10)	\$0.033
Market Cap.	\$4.26 mil.
52-Week Range	\$0.03 - \$0.09
Average Daily Trading	109,648
FY '08 EPS	(\$0.00)
FY '08 Revenue	\$1.64 mil.
FY '08 Net Income	(\$485 K)
Basic Shares	129 mil.
Insider Ownership	21%
Est. Public Float	85 mil.
Fiscal Year End	Dec. 31

COMPANY PRODUCTS

TELERAD SERVICES, INC. (TRS)

The reading business of NMXC's subsidiaries is a 24/7/365 service. Currently the company has doctors that are licensed to provide services in 48 states. The teams of radiologists, cardiologists, and neurologists are highly experienced in specialized types of studies. TRS provides final reports available in real time using the XR-EXpress system.

The operations team at Telerad assists the company's doctors by routing, coordinating doctor-to-doctor conferences, and managing the workload for the over 7,500

Highlights

11/17/09
New Mexico Software Reports 57% Q3 '09 Revenue Growth.

9/18/09
New Mexico Software Shareholder Update from Chairman and CEO Dick Govatski

8/13/09
NMXC Q2 Revenue Up 345% to \$902K; Six Month Revenue Up 318%

5/21/09
New Mexico Software Q1 Revenue Up 289% to \$915K; Rapidly Growing Radiological Services Contribute 77% to Q1 Revenue

04/16/09
New Mexico Software Expects Record First Quarter Revenue as Business Continues to Grow Strongly; Company Expects to Be Self-Sustaining in 2009

04/15/09
New Mexico Software 2008 Revenue Up 66% to \$1.64M; Q4 '08 Revenue Up 174% on Rapidly Growing Radiological Services.

01/29/09
Q4 Revenue Up 174%. 2008 Revenue up 62%. "

Investment Profile

NMXC



facilities on NMXC's system. The company's recent turn around times (TAT) for STAT cases is 15 minutes, 25 minutes for routine exams, and 21 minute averages for most exams.

XR-EXPRESS (XREX)

NMXC's XR-Express (XREX) system allows doctors to examine medical images (X-Rays, CT Scans, Ultrasounds, EKGs, Echocardiograms, Barium studies, etc) over the Internet. Image quality is vital since the images are used by doctors to diagnose patients. To this task, XR-Express captures medical images as high resolution medical Dicom files, "tags" them with patient information, distributes the files to the credentialed, licensed medical doctors, returns the exam's report to the medical facility requesting the report, and stores them online for seven years.

With XR-Express, medical professionals can diagnose a case from their computer and return the results, significantly cutting the time it takes to receive results so that primary physicians can handle medical treatment for their patients as soon as possible. Previous cases for a particular patient may be accessed at any time from the database, eliminating the cost and hassle of storing old X-Ray film and cases. XR-Express is a secure, FDA 510(k) cleared, HIPAA compliant system and is designed to be secure which assures Protected Health Information (PHI).

TRAINING

NMXC trains doctors to access XR-Express. A trainer spends 2-3 hours with each radiologist to familiarize them with the system and the work flow of reviewing scans and entering reports.

ENGINEERING

NMXC provides customized reporting, forms, case report forms (CRF), and interfaces as needed. All engineering is done in-house.

CONSULTING & PROJECT MGMT

NMXC provides a project manager and consulting services as required.

PROJECT INITIATION & TIMELINE

NMXC offers the user requirements document for customer's approval a week after completing an agreement and terms with NMXC and/or TRS, and any related parties. Assuming minimal modifications, XR-Express and TRS can be operational for review and approval within 10 days of customer's approval. Additional modifications will trigger a project schedule along with the user requirements document.

THE OUTLOOK

Q3 revenue increased 57% to \$912,000 from \$520,000 in Q3 2009. Nine months revenue rose 185% to \$2.7 million from \$957,000 in the first nine months of 2008. Telerad Radiological Services (TRS) division revenue was \$757,000 or 83% of total Q3 revenue. TRS operating loss was (\$107,000). Cash and cash equivalents totaled \$123,000 vs. \$68,000 as of December 31, 2008. Gross profit in the quarter increased 75% to \$238,000 from \$136,000 in Q3 2008. Net loss was (\$64,000) versus (\$46,000) a year ago. During the quarter the company spent roughly \$81,000 on legal fees and a total of \$157,000 for the year.

The company's TRS subsidiary, which has provided interpretations of X-Ray films, CTs and Ultrasounds since May 2008, contributed 83% to Q3 '09 revenue. NMXC now has 30 licensed radiologists, 13 cardiologists, and 2 neurologists available to read and report on medical studies from customers in 38 states, up from 20 radiologists covering 36 states at the end of the second quarter.

CEO Dick Govatski said, "We continue to be quite optimistic about our ability to expand our business. Currently we are working to offer other services complementary to the services provided including online billing, and electronic medical records.

Because of potential opportunities in telemedicine and teleradiology in particular, as part of the health care reform in the U.S., NMXC expects to benefit from this growth during the



next few years. NMXC will focus its teleradiology marketing efforts to further expand its customer and recurring revenue base.

MANAGEMENT

Richard F. Govatski

Founder, Chairman, Pres. and CEO

Toby Dickey

EVP Operations and Administration, Secretary, Treasurer and Director

John E. Handley

Director

Frank Reidy

Director

Rafael Rubio

VP Technology and Product Development

Nestor Pena

Director of Operations Telerad Division

WEBSITE INFORMATION

Investor information may be found at

www.nmxs.com

www.nmxc.net

www.hawkassociates.com

Risk Factors

- Ability to conclude licensing and marketing agreements necessary to successfully penetrate targeted markets
- Potential competition from larger, better-funded companies
- Ability to strengthen cash flow and the balance sheet