

Fusepoint Signs \$3 million Application Development Contract with La Capitale

New scalable IT solution will accommodate increased demand for services and significant growth in new customers

Quebec City, QC – May 16, 2006 – Fusepoint Managed Services Inc., a leading provider of outsourced application and IT services today announced that it has signed an agreement worth more than \$3 million with one of Québec's largest insurers, La Capitale Insurance and Financial Services, for application development services to upgrade its group insurance systems.

With over 300,000 insured clients, La Capitale Insurance and Financial Services offers group insurance products to organizations in both the public and private sectors. This project will enable La Capitale to upgrade its systems to better support its group insurance business and increase its flexibility to respond to client demands.

By upgrading, La Capitale will be well suited to meet accelerated growth with insurance systems that are user-friendly, enhance productivity and provide faster access to information, while reducing operating costs. Fusepoint will develop and implement a scalable insurance application that will provide a secure and easy-to-use extranet and Internet environment, facilitate online exchanges of information with the various market stakeholders and standardize work processes across all business lines. The solution will be developed on a Java (J2EE) platform from Sun with an Oracle database.

"We're very pleased to be working with such a renowned organization as La Capitale in the Quebec Region," said Mr. Jean-Yves St-Arnaud, Vice-President with Fusepoint. "The services offered by Fusepoint will enable La Capitale to gain the necessary flexibility to adapt itself to new market circumstances and pursue its strong growth in the group insurance sector."

"Fusepoint has extensive experience in the implementation of large scale projects and offered the technical skills needed for a Java/Oracle development environment. Also, Fusepoint's people can work alongside La Capitale's resources to transfer technical knowledge as necessary," said Mrs. Francine Landry, Vice-President, Technology, Systems Development and E-Business with La Capitale.

About La Capitale

La Capitale Insurance and Financial Services offers group insurance products to organizations in both the public and private sectors. Increasingly viewed as a major insurer in Quebec, La Capitale Insurance and Financial Services sets itself apart from the competition through its innovative approaches, particularly in the area of workplace attendance management and prevention activities amongst insured.

With a strong market presence across Quebec, La Capitale Financial Group is composed of various affiliates, including La Capitale Insurance and Financial Services. Its affiliates work closely together to offer its clients unmatched products and services in the area of life and health insurance, savings, loans and financial solutions for retirees. The Group has assets of nearly \$2 billion, counts more than 1,700 employees and offers financial products and services to the 600,000 employees of more than 900 Quebec public and private sector organizations, as well as to the population at large.



About Fusepoint Managed Services

Fusepoint Managed Services is the leading provider of managed IT services and infrastructure for companies running mission-critical business applications. Fusepoint's on-demand services include managed hosting, managed application services, business continuity, security and professional consulting services.

Built on a foundation of unrivaled technical expertise and proven operational processes, Fusepoint's managed IT solutions are SLA-guaranteed, scalable and designed to reduce IT cost structures while mitigating risk of service disruption. Picked as a "company to watch" by IDC Canada, Fusepoint maintains a national network of state-of-the-art data centres and offices strategically located in Toronto, Vancouver, Montreal and Quebec City. For more information please visit www.fusepoint.com.

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