

Burntsand Releases Fourth Quarter and FY2007 Results

Toronto, ON. March 4, 2008. Burntsand Inc. (Burntsand) (TSX:BRT) a North American business consulting and technology services company today reported revenue and earnings results for its fourth quarter and year ended December 31, 2007.

Fourth Quarter Financial Results Highlights (000's) - unaudited

	Q4		Year ended Dec. 31	
	2007	2006	2007	2006
Service Revenue	\$ 5,314	\$ 5,391	\$ 22,879	\$ 20,326
Revenue	\$ 5,636	\$ 5,854	\$ 26,481	\$ 23,638
EBITDA ⁽¹⁾	\$ 393	\$ (90)	\$ 461	\$ (344)
Net (Loss) Income	\$ 336	\$ (259)	\$ 6	\$ (801)
Cash and equivalents			\$ 3,644	\$ 3,902
Working capital			\$ 4,716	\$ 5,015

Highlights

The fourth quarter and fiscal year results include a number of significant achievements for the company. These accomplishments include:

- The second consecutive quarter of positive EBITDA;
- Positive EBITDA in three of the four quarters in 2007; and
- The second consecutive quarter of positive net income and positive net income for the year

In addition to these achievements in the fiscal year, the company has made positive progress in the first quarter of 2008. These include:

- Two contract announcements: \$1.4 million for a biotechnology client and \$375,000 with a second client to implement ITIL
- The successful completion of a significant contract started in 2007

"Our 2007 results are very encouraging as demonstrated by three key metrics. Our professional services revenue grew at 13% - the second consecutive year of growth. Our EBITDA and net income continues to improve over the prior year and most importantly for the future, our client relationships remain strong, with 82% of our clients engaging us for multiple projects and new work in 2007" said Martin Glover, Burntsand's President and Chief Executive Officer.

Results for the Fourth Quarter ended December 31, 2007

Total revenue for the fourth quarter was \$5.6 million compared to \$5.9 million for the fourth quarter of 2006. The Company's top 10 accounts accounted for approximately 56% of revenue; and US operations contributing 69% of the revenues for the quarter.

While total revenue decreased slightly EBITDA for the fourth quarter improved significantly to \$393,000 compared to a loss of (\$90,000) for the fourth quarter of 2006.

Net income for the fourth quarter of 2007 was \$336,000 or \$0.00 per share, compared with a net loss of (\$259,000) or (\$0.00) per share in the fourth quarter of 2006.

The Company's results are impacted by the effect of foreign exchange on the consolidation of our US operations. The weighted average exchange rates used for consolidation were \$0.981 and \$1.138 in 2007 and 2006 respectively. If the foreign exchange rate had held constant with Q4 2006 rates, Q4 2007 revenue and EBITDA would have increased by \$624,000 and \$101,000 respectively.

Results for the year ended December 31, 2007

Total revenue for the year was \$26.5 million compared to \$23.6 million for the previous year. The increase in revenue was a result of several factors including an improvement in service for the year. The Company's US operations contributed 64% of the total revenues for the year, compared to 61% in the previous year. Our increase in revenue is notwithstanding a decrease of 14% in the exchange rate.

EBITDA for the year was \$461,000 compared to (\$344,000) for the previous year. The EBITDA improvement of \$0.8 million was due to improved revenues and gross margin (\$0.7 million) and a decrease in expenses (\$0.1 million).

Net income for the year was \$6,000 or \$0.00 per share, compared with a net loss of \$(801,000) or (\$0.01) per share for the previous year. The net income for the year was an improvement of \$0.8 million.

Our results for the year are impacted by the effect of foreign exchange on the consolidation of our US operations. The weighted average exchange rates used for consolidation ("consolidation foreign exchange rate") were \$1.075 and \$1.33 in 2007 and 2006 respectively. If the foreign exchange rate had held constant with 2006 rates, 2007 revenue and EBITDA would have increased by \$929,000 and \$127,000 respectively.

Financial Position at December 31, 2007

The Company finished the period ended December 31, 2007 with cash and short-term investments of \$3.6 million compared to \$3.9 million at December 31, 2006. The Company has not borrowed under its Line of Credit.

The Company has filed its financial statements and management's discussion and analysis on SEDAR at www.sedar.com. This information includes various metrics and performance measurements used by the company, including headcount information, average bill rates, utilization, project data, new customers and new contract information.

As always we invite your comments and encourage you to follow the progress of your company on the Burntsand website at www.burntsand.com.

About Burntsand

With a unique and forward-thinking focus on helping clients unify enterprise information to increase productivity and insight, Burntsand is a North American leader in the delivery of Enterprise Content Management, Enterprise Operations and Service Management, Collaboration, and Customer Relationship Management services. Burntsand delivers business advantage to its mid-market clients through risk-managed projects and unmatched customer experience. Strong partnerships with EMC, BMC and Microsoft reflect the company's business maturity and ensure technology depth. Headquartered in Toronto, Burntsand operates from locations across North America. The Company's shares (TSX: BRT) are traded on the Toronto Stock Exchange. More information about Burntsand can be found at www.burntsand.com.

Forward Looking Statements

Certain information in this press release and in other public announcements contains forward-looking information. Such statements include, but are not limited to, statements which indicate the results, events or activities that Burntsand expects or anticipates will or may occur in the future, including statements which give guidance as to future revenues or other financial results of Burntsand and statements regarding the growth of business or operations, competitive strengths and strategic initiatives and plans. Such forward-looking statements can generally be identified by words such as "outlook", "guidance",

“estimate”, “forecast”, “objective”, “anticipate”, “intend”, “likely”, “will”, “may”, “should”, “could”, “expect”, “believe”, and similar expressions and statements relating to matters that are not historical facts.

The forward-looking statements in these documents are based upon the reasonable beliefs of Burntsand and its management as of the date the information; however, forward-looking statements involve risks and uncertainties and are based upon factors that may change and assumptions that may prove, with the passage of time, to be incorrect. Accordingly, undue reliance should not be placed upon such statements. If factors materially change or assumptions are materially incorrect, the actual results, performance or achievements of Burntsand may be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements.

Important factors that could cause actual results, events or activities to differ materially from the forward-looking statements contained in this press release include: general economic business conditions; loss of key employees; integration of acquisitions; stock market volatility; supply and demand for services offered by Burntsand; changes in laws and regulations; Burntsand’s ability to compete successfully, protect its intellectual property rights, and adapt to technological advances and changing industry standards and other factors. Important assumptions that were used in making the forward-looking statements include: effective daily rates, estimated utilization, estimated new bookings and realization on contracts

All statements made in these documents that contain forward-looking information are made as of the date of this document. Burntsand disclaims any intention and undertakes no obligation to update or revise any forward-looking statements to reflect new information, future events or otherwise.

Notes

⁽¹⁾ EBITDA

EBITDA is defined as operating revenues less operating expenses and therefore reflects earnings before interest, taxes, depreciation and amortization, as well as any restructuring charges and impairment for goodwill. Burntsand uses EBITDA, amongst other measures, to assess the operating performance of its on-going businesses. The term EBITDA does not have a standardized meaning prescribed by Canadian generally accepted accounting principles and therefore may not be comparable to similarly titled measures presented by other companies. EBITDA should not be construed as the equivalent of net cash flows from operating activities.

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BURNTSAND INC.**Consolidated Balance Sheets**

	December 31, 2007	December 31, 2006
	(unaudited)	
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 3,643,932	\$ 1,168,324
Short-term investments	-	2,734,121
Accounts receivable	3,781,308	4,272,488
Prepaid expenses	192,530	483,736
	7,617,770	8,658,669
Capital assets	1,172,430	1,585,936
Goodwill	144,517	169,898
	\$ 8,934,717	\$ 10,414,503
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,068,648	\$ 2,454,187
Deferred revenue	706,250	1,067,246
Current portion of obligations under capital leases	127,298	121,871
	2,902,196	3,643,304
Long-term portion of deferred revenue	59,820	105,839
Long-term portion of obligations under capital leases	101,173	236,578
	3,063,189	3,985,721
SHAREHOLDERS' EQUITY		
Common shares	9,602,855	9,588,902
Contributed surplus	1,159,680	1,052,745
Deficit	(2,022,371)	(2,028,375)
Accumulated other comprehensive loss	(2,868,636)	(2,184,490)
	5,871,528	6,428,782
	\$ 8,934,717	\$ 10,414,503

BURNTSAND INC.
Consolidated Statements of Operations

	Three months ended December 31,		Twelve months ended December 31,	
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	
REVENUE				
Services	\$ 5,314,379	\$ 5,391,450	\$ 22,879,256	\$ 20,325,832
License and maintenance	116,449	260,594	2,632,169	2,547,010
Other revenue	205,500	201,728	969,587	764,897
	5,636,328	5,853,772	26,481,012	23,637,739
COSTS				
Cost of services	3,442,390	3,807,345	15,286,160	13,534,334
Cost of license and maintenance	92,018	173,321	2,401,605	2,155,949
Cost of other revenue	189,874	185,746	901,207	713,542
	3,724,282	4,166,412	18,588,972	16,403,825
GROSS PROFIT	1,912,046	1,687,360	7,892,040	7,233,914
EXPENSES				
Sales and marketing	385,924	445,746	1,796,669	1,907,094
General and administrative	621,742	800,026	3,041,762	3,100,491
Other expenses	511,194	531,771	2,592,294	2,570,096
	1,518,860	1,777,543	7,430,725	7,577,681
Earning/(loss) before amortization, interest and income taxes	393,186	(90,183)	461,315	(343,767)
Amortization of capital assets	(91,790)	(111,409)	(432,126)	(472,772)
Interest and investment income	45,800	29,546	94,633	104,302
Interest expense and financing costs	(11,085)	(86,683)	(80,718)	(88,314)
Income tax expense	-	-	(37,100)	-
NET INCOME/(LOSS) FOR THE PERIOD	\$ 336,111	\$ (258,729)	6,004	(800,551)
Income (loss), basic and diluted, per share	\$ 0.00	\$ (0.00)	\$ 0.00	\$ (0.01)
Weighted average number of common shares used to calculate per share amounts, basic and diluted				
	72,552,793	72,502,885	72,523,977	72,719,962

BURNTSAND INC.
Consolidated Statements of Cash Flows

	Three months ended December 31,		Twelve months ended December 31,	
	2007	2006	2007	2006
	(unaudited)	(unaudited)	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income/(loss) for the period	336,111	(258,729)	6,004	(800,551)
Items not affecting cash:				
Amortization of capital assets and intangibles	91,790	111,409	432,126	472,772
Amortization of assets used in outsourcing contract	44,260	43,905	177,040	51,637
Stock-based compensation	36,714	18,212	111,675	144,027
	508,875	(85,203)	726,845	(132,115)
Changes in operating assets and liabilities:				
Accounts receivable	1,116,223	1,213,798	(49,726)	(955,165)
Prepaid expenses	149,323	(76,886)	264,338	19,053
Accounts payable and accrued liabilities	(742,362)	(1,238,303)	(197,552)	428,707
Deferred revenue	(304,058)	(198,118)	(375,964)	682,733
Accrued restructuring charge	-	(41,475)	-	(303,072)
	728,001	(426,187)	367,941	(259,859)
CASH FLOWS FROM INVESTING ACTIVITIES				
Short term investments	-	317,029	2,696,558	(924,452)
Purchase of capital assets, net of related accounts payable	(134,853)	107,312	(272,238)	(317,495)
	(134,853)	424,341	2,424,320	(1,241,947)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on capital lease obligations	(31,119)	(17,570)	(119,357)	(22,216)
Issue of common shares	3,750	-	9,213	-
Purchase of shares under Normal Course Issuer Bid	-	-	-	(44,785)
	(27,369)	(17,570)	(110,144)	(67,001)
NET CASH FLOW AND CASH EQUIVALENTS	565,779	(19,416)	2,682,117	(1,568,807)
EFFECT OF FOREIGN EXCHANGE RATE				
CHANGES ON CASH AND CASH EQUIVALENTS	5,938	23,110	(206,509)	(19,344)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,072,215	1,164,630	1,168,324	2,756,475
CASH AND CASH EQUIVALENTS, END OF PERIOD	3,643,932	1,168,324	3,643,932	1,168,324