

Burntsand Releases First Quarter Results

Toronto, ON. May 8, 2008. Burntsand Inc. (Burntsand) (TSX:BRT) a North American business consulting and technology services company today reported revenue and earnings results for its first quarter ended March 31, 2008.

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

	Three Months ended March 31	
	2008	2007
Service Revenue	\$ 5,033	6,572
Revenue	\$ 5,339	7,649
EBITDA ⁽¹⁾	\$ (95)	120
Net (Loss) Income	\$ (187)	2
	<u>At March 31, 2008</u>	<u>At March 31, 2007</u>
Cash and equivalents	3,405	3,644
Working capital	4,734	4,176

Results for the First Quarter ended March 31, 2008

Service revenue for the first quarter was \$5.0 million compared to \$6.6 million for the first quarter of 2007. The Company's top 10 accounts accounted for approximately 59% of revenue and US operations contributed 64% of the revenues for the quarter. Approximately \$0.7 million of the \$1.6 million decrease in service revenue is a result of the strengthening of the Canadian dollar vs. the United States dollar with average exchange rates of \$1.004 and \$1.172 in the three months ended March 31, 2008 and March 31, 2007 respectively. The balance of the decrease in service revenue of \$0.9 million was primarily due to revenue from four large projects that was included in the first quarter of 2007 and which were completed during 2007.

EBITDA for the first quarter decreased to (\$95,000) compared to a \$120,000 for the first quarter of 2007 and was primarily due to the decrease in service revenue. Net income (loss) for the first quarter of 2008 was (\$187,000) or (\$0.00) per share, compared with net income of \$2,000 or \$0.00 per share in the first quarter of 2007.

"Q1 was a transition quarter for a number of our projects and project teams. We successfully completed a number of our key projects and commenced providing services on the initial phases of new and follow-on projects", said Martin Glover, Burntsand's President and Chief Executive Officer, "As we see the market opportunities develop from our significant increase in marketing programs we are energized about the future." During the first quarter the Company's marketing programs included presenting with EMC at three seminars focused on the Healthcare and Public sectors and Microsoft at a seminar focused on the Financial sector.

Financial Position at March 31, 2008

The Company finished the period ended March 31, 2008 with cash and short-term investments of \$3.4 million compared to \$3.6 million at December 31, 2007. 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.

Contacts:

Martin Glover, President & CEO
Voice: 617-923-6611
Email: MGlover@burntsand.com

Stephen Massel, CFO
Voice: 416-234-3852
Email: SMassel@burntsand.com

BURNTSAND INC.**Consolidated Balance Sheets**

	March 31, 2008	December 31, 2007
	(unaudited)	
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 3,404,973	\$ 3,643,932
Accounts receivable	3,892,273	3,781,308
Prepaid expenses	560,641	192,530
	7,857,887	7,617,770
Capital assets	1,102,890	1,172,430
Goodwill	149,649	144,517
	\$ 9,110,426	\$ 8,934,717
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,054,467	\$ 2,068,648
Deferred revenue	945,116	706,250
Current portion of obligations under capital leases	124,385	127,298
	3,123,968	2,902,196
Long-term portion of deferred revenue	-	59,820
Long-term portion of obligations under capital leases	73,696	101,173
	3,197,664	3,063,189
SHAREHOLDERS' EQUITY		
Common shares	9,602,855	9,602,855
Contributed surplus	1,213,232	1,159,680
Deficit	(2,208,968)	(2,022,371)
Accumulated other comprehensive loss	(2,694,357)	(2,868,636)
	5,912,762	5,871,528
	\$ 9,110,426	\$ 8,934,717

BURNTSAND INC.**Consolidated Statements of Operations**

	Three months ended March 31,	
	2008	2007
	(unaudited)	(unaudited)
REVENUE		
Services	\$ 5,032,930	\$ 6,571,665
License and maintenance	129,311	839,899
Other revenue	176,580	237,670
	5,338,821	7,649,234
COSTS		
Cost of services	3,619,602	4,495,859
Cost of license and maintenance	116,754	756,406
Cost of other revenue	159,847	222,044
	3,896,203	5,474,309
GROSS PROFIT	1,442,618	2,174,925
EXPENSES		
Sales and marketing	391,625	482,550
General and administrative	637,020	858,302
Other expenses	508,514	714,197
	1,537,159	2,055,049
Earning (loss) before amortization, interest and income taxes	(94,541)	119,876
Amortization of capital assets	(86,250)	(112,544)
Interest and investment income	26,792	28,597
Interest expense and financing costs	(7,401)	(6,975)
Income Taxes	(25,197)	(26,940)
NET INCOME/(LOSS) FOR THE PERIOD	\$ (186,597)	\$ 2,014
Loss, basic and diluted, per share	\$ (0.00)	\$ 0.00
Weighted average number of common shares used to calculate per share amounts, basic and diluted	72,593,554	72,504,270

BURNTSAND INC.**Consolidated Statements of Cash Flows**

	Three months ended March 31,	
	2008	2007
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	(186,597)	2,014
Items not affecting cash:		
Amortization of capital assets and intangibles	86,250	112,544
Amortization of assets used in outsourcing contract	44,260	44,260
Stock-based compensation	53,552	37,036
	(2,535)	195,854
Changes in operating assets and liabilities:		
Accounts receivable	(27,977)	(1,591,192)
Prepaid expenses	(362,172)	39,117
Accounts payable and accrued liabilities	(41,729)	273,276
Deferred revenue	172,353	(452,877)
	(262,060)	(1,535,822)
CASH FLOWS FROM INVESTING ACTIVITIES		
Short term investments	-	1,456,239
Purchase of capital assets, net of related accounts payable	(55,336)	(88,566)
	(55,336)	1,367,673
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on capital lease obligations	(31,869)	(26,516)
Issue of common shares	-	1,563
	(31,869)	(24,953)
NET CASH OUTFLOW	(349,265)	(193,102)
EFFECT OF FOREIGN EXCHANGE RATE		
CHANGES ON CASH	110,306	(3,459)
CASH (EXCLUDING SHORT TERM		
INVESTMENTS), BEGINNING OF PERIOD	3,643,932	1,168,324
CASH (EXCLUDING SHORT TERM		
INVESTMENTS), END OF PERIOD	3,404,973	971,763