

Burntsand Releases Second Quarter Results

Toronto, ON, August 6, 2008. Burntsand Inc. (Burntsand) (TSX:BRT) a North American business consulting and technology services company today reported revenue and earnings results for its second quarter ended June 30, 2008.

Second Quarter Financial Results Highlights (000's CDN dollars) - unaudited

	Three Months ended June 30		Six months ended June 30	
	2008	2007	2008	2007
Service Revenue	\$ 5,127	\$ 5,621	\$ 10,159	\$ 12,193
Revenue	\$ 5,830	\$ 6,506	\$ 11,169	\$ 14,155
EBITDA ⁽¹⁾	\$ (184)	\$ (443)	\$ (279)	\$ (323)
Net loss	\$ (265)	\$ (609)	\$ (452)	\$ (607)
			As at	
			30-Jun-08	31-Dec-07
Cash and cash equivalents			2,995	3,644
Working capital			4,551	4,716

Results for the Second Quarter ended June 30, 2008

Service revenue for the second quarter was \$5.1 million compared to \$5.6 million for the second quarter of 2007. The Company's top 10 accounts accounted for approximately 60% of revenue and US operations contributed 66% of the revenues for the quarter. Approximately \$0.3 million of the \$0.5 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 \$1.010 and \$1.098 in the three months ended June 30, 2008 and June 30, 2007 respectively. The balance of the decrease in service revenue of \$0.2 million was primarily due to the decrease in service revenue in our Canadian business.

EBITDA loss for the second quarter decreased to (\$184,000) compared to a (\$443,000) for the second quarter of 2007 and was primarily due to the decrease in expenses of 21%. Net loss for the second quarter of 2008 was (\$265,000) or (\$0.00) per share, compared with a net loss of (\$609,000) or (\$0.01) per share in the second quarter of 2007.

Backlog at June 30, 2008 increased to \$7.5 million up \$0.4 million or 5.6% over the backlog at March 31, 2008. During the second quarter of 2008, the Company signed 17 new contracts valued at \$100,000 or more up from 14 new contracts valued at \$100,000 or more signed during the first quarter of 2008.

"Q2 2008 services revenue was up 2% over Q1 2008 service revenue with our US operations increasing service revenue by 10% as we continued to add new customers", said Martin Glover, Burntsand's President and Chief Executive Officer. "We are seeing the market opportunities developing from our significant increase in marketing programs in our Microsoft, EMC and BMC practice areas" added Mr. Glover. During the second quarter the Company's marketing programs included its Elite-level sponsorship at EMC's annual user conference, EMC World, where it showcased Burntsand's thought leadership in Integrated Information Management. In addition during the second quarter, Burntsand was recognized for achieving 5 Microsoft certified competencies and nominated for Microsoft's Global Partner of the Year awards for 3 of them as part of Microsoft's Gold Certified Partner Excellence Program.

Financial Position at June 30, 2008

The Company finished the period ended June 30, 2008 with cash and short-term investments of \$3.0 million and working capital of \$4.5 million. 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

	June 30, 2008	December 31, 2007
	(unaudited)	
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 2,995,335	\$ 3,643,932
Accounts receivable	3,923,603	3,781,308
Prepaid expenses	265,014	192,530
	7,183,952	7,617,770
Capital assets	996,104	1,172,430
Goodwill	148,657	144,517
	\$ 8,328,713	\$ 8,934,717
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,847,223	\$ 2,068,648
Deferred revenue	669,443	706,250
Current portion of obligations under capital leases	115,987	127,298
	2,632,653	2,902,196
Long-term portion of deferred revenue	-	59,820
Long-term portion of obligations under capital leases	49,238	101,173
	2,681,891	3,063,189
SHAREHOLDERS' EQUITY		
Common shares	9,611,454	9,602,855
Contributed surplus	1,237,505	1,159,680
Deficit	(2,474,002)	(2,022,371)
Accumulated other comprehensive loss	(2,728,135)	(2,868,636)
	5,646,822	5,871,528
	\$ 8,328,713	\$ 8,934,717

See accompanying Notes to the Consolidated Financial Statements

BURNTSAND INC.
Consolidated Statements of Operations

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Services	\$ 5,126,548	\$ 5,621,109	\$ 10,159,478	\$ 12,192,774
License and maintenance	457,625	621,839	586,936	1,461,738
Other revenue	245,970	262,582	422,550	500,252
	5,830,143	6,505,530	11,168,964	14,154,764
COSTS				
Cost of services	3,557,279	3,865,357	7,176,881	8,361,216
Cost of license and maintenance	435,720	580,097	552,474	1,336,503
Cost of other revenue	230,344	246,280	390,191	468,324
	4,223,343	4,691,734	8,119,546	10,166,043
GROSS PROFIT	1,606,800	1,813,796	3,049,418	3,988,721
EXPENSES				
Sales and marketing	578,353	583,171	969,978	1,065,721
General and administrative	613,068	900,864	1,250,088	1,759,166
Other expenses	599,342	772,424	1,107,856	1,486,621
	1,790,763	2,256,459	3,327,922	4,311,508
Loss before amortization, interest and income taxes	(183,963)	(442,663)	(278,504)	(322,787)
Amortization of capital assets	(84,293)	(122,299)	(170,543)	(234,843)
Interest and investment income	13,777	12,170	40,569	40,767
Interest expense and financing costs	(10,555)	(46,395)	(17,956)	(53,370)
Income Taxes	-	(10,160)	(25,197)	(37,100)
NET LOSS FOR THE PERIOD	\$ (265,034)	\$ (609,347)	(451,631)	(607,333)
Loss, basic and diluted, per share	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares used to calculate per share amounts, basic and diluted				
	72,612,601	72,510,219	72,603,078	72,507,261

See accompanying Notes to the Consolidated Financial Statements

BURNTSAND INC.
Consolidated Statements of Cash Flows

	Three months ended June 30,		Six months ended June 30,	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	(265,034)	(609,347)	(451,631)	(607,333)
Items not affecting cash:				
Amortization of capital assets and intangibles	84,293	122,299	170,543	234,843
Amortization of assets used in outsourcing contract	44,260	44,260	88,520	88,520
Stock-based compensation	27,873	14,995	81,425	52,031
	(108,608)	(427,793)	(111,143)	(231,939)
Changes in operating assets and liabilities:				
Accounts receivable	(45,640)	475,535	(73,617)	(1,115,657)
Prepaid expenses	293,016	137,939	(69,156)	177,056
Accounts payable and accrued liabilities	(182,619)	26,199	(224,348)	299,475
Deferred revenue	(274,210)	112,696	(101,857)	(340,181)
	(318,061)	324,576	(580,121)	(1,211,246)
CASH FLOWS FROM INVESTING ACTIVITIES				
Short term investments	-	1,240,319	-	2,696,558
Purchase of capital assets, net of related accounts payable	(49,764)	(30,236)	(105,100)	(118,802)
	(49,764)	1,210,083	(105,100)	2,577,756
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on capital lease obligations	(30,810)	(30,751)	(62,679)	(57,267)
Issue of common shares	5,000	-	5,000	1,563
	(25,810)	(30,751)	(57,679)	(55,704)
NET CASH INFLOW (OUTFLOW)	(393,635)	1,503,908	(742,900)	1,310,806
EFFECT OF FOREIGN EXCHANGE RATE				
CHANGES ON CASH	(16,003)	(73,871)	94,303	(77,330)
CASH (EXCLUDING SHORT TERM INVESTMENTS), BEGINNING OF PERIOD	3,404,973	971,763	3,643,932	1,168,324
CASH (EXCLUDING SHORT TERM INVESTMENTS), END OF PERIOD	2,995,335	2,401,800	2,995,335	2,401,800

See accompanying Notes to the Consolidated Financial Statements

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