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## **Burntsand Releases First Quarter 2009 Results**

**Toronto, ON, May 14, 2009.** 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, 2009.

### **First Quarter 2009 Financial Results Highlights (000's) – unaudited**

	<b>Q1</b>	
	<b>2009</b>	<b>2008</b>
Service revenue	\$ 5,954	\$ 5,033
Total revenue	\$ 6,286	\$ 5,339
Adjusted EBITDA (loss) <sup>(1)</sup>	\$ (4)	\$ (41)
Net income (loss)	\$ (181)	\$ (187)
Cash and equivalents	\$ 5,013	\$ 3,405
Working capital	\$ 6,507	\$ 4,734

### **Results for the First Quarter ended March 31, 2009**

Service revenues for the first quarter of 2009 were \$6.0 million compared to \$5.0 million for the first quarter of 2008. US operations contributed \$4.4 million of service revenue for the quarter, an increase of \$1.1 million compared to \$3.3 million for the first quarter of 2008. Approximately \$0.8 million of the increase in US service revenue related to a stronger US dollar in the first quarter of 2009 compared to the first quarter of 2008. Gross profit on services revenue was 26.5% for the first quarter of 2009 compared to 28.1% for the first quarter of 2008.

Adjusted EBITDA loss<sup>(1)</sup> for the first quarter of 2009 was (\$4,088) compared to (\$40,989) for the first quarter of 2008. Net loss for the first quarter of 2009 was (\$181,209) or (\$0.00) per share and included a non-recurring realized foreign currency translation loss of (\$53,550). Net loss was (\$186,597) or (\$0.00) per share for the first quarter of 2008.

Backlog as at March 31, 2009 was \$6.3 million compared to \$7.1 million as at March 31, 2008.

### **Financial Position at March 31, 2009**

As at March 31, 2009 the Company held cash and short-term investments of \$5.0 million and working capital of \$6.5 million. This compared to \$3.4 million of cash and short-term investments and working capital of \$4.7 million as at March 31, 2008. The Company has not borrowed under its US \$2.5 million line of credit.

“While our cash, working capital and balance sheet remain strong we are intensely focused on sales and marketing activities and improving our operational effectiveness” said Martin Glover, Burntsand’s President and Chief Executive Officer. “In the current environment we continue to focus on delivering cost effective solutions in our Collaboration, Enterprise Content Management and Service Management practices in order to enhance our competitive position.” added Mr. Glover.

The Company has filed its financial statements and management's discussion and analysis on SEDAR at [www.sedar.com](http://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](http://www.burntsand.com).

## **About Burntsand**

Burntsand is a leader in the delivery of technology consulting services for customers with complex information processing and information management requirements in three practice areas - Enterprise Content Management, Collaboration and Service Management - aligned around our strategic partners, EMC, Microsoft and BMC. The Company delivers strategic design, technology architecture and custom application development through our proven Time-to-Value methodology, which mitigates business risk and speeds process improvements and returns. Headquartered in Toronto, Burntsand operates from locations across North America. The Company's shares (TSX: BRT) are traded on the Toronto Stock Exchange. Learn more about Burntsand at [www.burntsand.com](http://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.

## Note

### <sup>(1)</sup> Adjusted EBITDA

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, stock-based compensation expense as well as any realized foreign currency translation losses or gains. Burntsand uses Adjusted EBITDA, amongst other measures, to assess the operating performance of its on-going businesses. The term Adjusted 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. Adjusted EBITDA should not be construed as the equivalent of net cash flows from operating activities. The following is a reconciliation of net income (loss) to Adjusted EBITDA for the periods indicated:

	Three months ended March 31,	
	2009	2008
Loss for the period	\$ (181,209)	\$ (186,597)
Amortization of capital assets	75,181	86,250
Interest and investment income	(9,905)	(26,792)
Interest expense and financing charges	30,983	7,401
Income taxes	-	25,197
Standardized EBITDA	(84,950)	(94,541)
Stock-based compensation	27,312	53,552
Realized currency translation loss	53,550	-
Adjusted EBITDA (loss)	\$ (4,088)	\$ (40,989)

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**BURNTSAND INC.**  
**Consolidated Balance Sheets**

	<b>March 31, 2009</b>	December 31, 2008
	<b>(unaudited)</b>	
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 5,013,462	\$ 4,876,377
Accounts receivable	3,790,080	5,216,377
Prepaid expenses	240,060	241,252
	<b>9,043,602</b>	10,334,006
Capital assets	707,735	815,441
Goodwill	183,879	177,566
	<b>\$ 9,935,216</b>	<b>\$ 11,327,013</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 1,954,024	\$ 2,828,319
Deferred revenue	511,128	1,046,277
Current portion of obligations under capital leases	71,141	100,089
	<b>2,536,293</b>	3,974,685
Long-term portion of obligations under capital leases	-	4,926
	<b>2,536,293</b>	3,979,611
<b>SHAREHOLDERS' EQUITY</b>		
Common shares	9,611,454	9,611,454
Contributed surplus	1,352,329	1,325,017
Deficit	(2,420,270)	(2,239,061)
Accumulated other comprehensive loss	(1,144,590)	(1,350,008)
	<b>(3,564,860)</b>	<b>(3,589,069)</b>
	<b>7,398,923</b>	7,347,402
	<b>\$ 9,935,216</b>	<b>\$ 11,327,013</b>

# BURNTSAND INC.

## Consolidated Statements of Operations

	Three months ended March 31,	
	2009	2008
	(unaudited)	(unaudited)
<b>REVENUE</b>		
Services	\$ 5,954,208	\$ 5,032,930
License and maintenance	101,354	129,311
Other revenue	230,661	176,580
	<b>6,286,223</b>	<b>5,338,821</b>
<b>COSTS</b>		
Cost of services	4,373,398	3,619,602
Cost of license and maintenance	79,703	116,754
Cost of other revenue	215,035	159,847
	<b>4,668,136</b>	<b>3,896,203</b>
<b>GROSS PROFIT</b>	<b>1,618,087</b>	<b>1,442,618</b>
<b>EXPENSES</b>		
Sales and marketing	520,715	391,625
General and administrative	611,313	637,020
Other expenses	517,459	508,514
	<b>1,649,487</b>	<b>1,537,159</b>
Loss before the undernoted	(31,400)	(94,541)
Realized currency translation loss	(53,550)	-
Amortization of capital assets	(75,181)	(86,250)
Interest and investment income	9,905	26,792
Interest expense and financing costs	(30,983)	(7,401)
Loss before income taxes	(181,209)	(161,400)
Income tax expense	-	(25,197)
<b>LOSS FOR THE PERIOD</b>	<b>\$ (181,209)</b>	<b>\$ (186,597)</b>
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		
	<b>72,660,220</b>	<b>72,593,554</b>

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

	Three months ended March 31,	
	2009	2008
	(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (181,209)	\$ (186,597)
Items not affecting cash:		
Amortization of capital assets	75,181	86,250
Amortization of assets used in outsourcing contract	44,260	44,260
Realized currency translation loss	53,550	-
Stock-based compensation	27,312	53,552
	<b>19,094</b>	<b>(2,535)</b>
Changes in operating assets and liabilities:		
Accounts receivable	1,541,810	(27,977)
Prepaid expenses	6,656	(362,172)
Accounts payable and accrued liabilities	(919,825)	(41,729)
Deferred revenue	(543,073)	172,353
	<b>104,662</b>	<b>(262,060)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of capital assets, net of related accounts payable	(1,355)	(55,336)
	<b>(1,355)</b>	<b>(55,336)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on capital lease obligations	(34,483)	(31,869)
	<b>(34,483)</b>	<b>(31,869)</b>
NET CASH INFLOW (OUTFLOW)	<b>68,824</b>	<b>(349,265)</b>
EFFECT OF FOREIGN EXCHANGE RATE		
CHANGES ON CASH	68,261	110,306
CASH (EXCLUDING SHORT TERM INVESTMENTS), BEGINNING OF PERIOD	<b>4,876,377</b>	3,643,932
CASH (EXCLUDING SHORT TERM INVESTMENTS), END OF PERIOD	<b>\$ 5,013,462</b>	<b>\$ 3,404,973</b>