

Burntsand Releases Third Quarter Results

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

Third Quarter Financial Results Highlights (000's)

	Three months ended Sept 30		Nine months ended Sept 30	
	2008	2007	2008	2007
Service Revenue	\$ 5,577	\$ 5,372	\$ 15,736	\$ 17,565
Revenue	\$ 6,676	\$ 6,690	\$ 17,845	\$ 20,845
EBITDA ⁽¹⁾	\$ 305	\$ 391	\$ 27	\$ 68
Net Income (Loss)	\$ 217	\$ 277	\$ (235)	\$ (330)

	As At	
	30-Sep-08	31-Dec-07
Cash and equivalents	\$ 4,697	\$ 3,644
Working capital	\$ 5,111	\$ 4,716

Results for the Third Quarter ended September 30, 2008

Service revenue for the third quarter was \$5.6 million compared to \$5.4 million for the third quarter of 2007. The growth in service revenue was primarily the result of an increase in service revenue from US operations which reported a 5% increase in revenue and contributed 74% of services revenue for the quarter compared to 71% in the same period in 2007. The Company's top 10 accounts accounted for approximately 59% of service revenue compared to 64% for the third quarter of 2007. Gross profit on services revenue was 34.5% for the third quarter compared to 35.2% for the third quarter of 2007.

EBITDA ⁽¹⁾ for the third quarter of 2008 was \$305,000 compared to \$391,000 for the third quarter of 2007. The decrease in EBITDA was primarily due to an increase in sales and marketing expense in order to stimulate growth in orders and revenue. Net income for the third quarter of 2008 was \$217,000 or \$0.00 per share, compared with a net income of \$277,000 or \$0.00 per share in the third quarter of 2007.

Backlog as at September 30, 2008 increased to \$8.0 million up \$0.5 million or 6.6% over the backlog at June 30, 2008. During the third quarter of 2008, the Company signed 17 new contracts valued at \$100,000 or more. This included one contract valued at \$500,000US to provide Enterprise Content Management consulting services in our ECM practice to a large global provider of software and services and another contract with a major health care client in Canada valued at \$439,000 to provide Microsoft Exchange and related messaging support services in our Collaboration practice.

"Q3 2008 services revenue was up 8.8% over Q2 2008 service revenue with our US operations increasing service revenue by 11.0% as we continued to add new customers", said Martin Glover, Burntsand's President and Chief Executive Officer. "We are seeing an increase in backlog and market opportunities from our focus on delivering Healthcare solutions in our Collaboration, Enterprise Content Management and Service Management practice areas" added Mr. Glover.

Financial Position at September 30, 2008

The Company finished the period ended September 30, 2008 with cash and short-term investments of \$4.7 million and working capital of \$5.1 million compared to \$3.6 million of cash and \$4.7 million of working capital as 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 Burrtsand website at www.burrtsand.com.

About Burrtsand

With a unique and forward-thinking focus on helping clients unify enterprise information to increase productivity and insight, Burrtsand is a North American leader in the delivery of Enterprise Content Management, Enterprise Operations and Service Management, Collaboration, and Customer Relationship Management services. Burrtsand 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, Burrtsand operates from locations across North America. The Company's shares (TSX: BRT) are traded on the Toronto Stock Exchange. More information about Burrtsand can be found at www.burrtsand.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 Burrtsand expects or anticipates will or may occur in the future, including statements which give guidance as to future revenues or other financial results of Burrtsand 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 Burrtsand 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 Burrtsand 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 Burrtsand; changes in laws and regulations; Burrtsand'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. Burrtsand 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

	September 30, 2008	December 31, 2007
	(unaudited)	
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 4,697,223	\$ 3,643,932
Accounts receivable	4,097,030	3,781,308
Prepaid expenses	332,418	192,530
	9,126,671	7,617,770
Capital assets	888,249	1,172,430
Good will	155,144	144,517
	\$ 10,170,064	\$ 8,934,717
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,631,014	\$ 2,068,648
Deferred revenue	1,269,080	706,250
Current portion of obligations under capital leases	115,274	127,298
	4,015,368	2,902,196
Long-term portion of deferred revenue	-	59,820
Long-term portion of obligations under capital leases	19,566	101,173
	4,034,934	3,063,189
SHAREHOLDERS' EQUITY		
Common shares	9,611,454	9,602,855
Contributed surplus	1,282,454	1,159,680
Deficit	(2,257,181)	(2,022,371)
Accumulated other comprehensive loss	(2,501,597)	(2,868,636)
	6,135,130	5,871,528
	\$ 10,170,064	\$ 8,934,717

See accompanying Notes to the Consolidated Financial Statements

BURNTSAND INC.
Consolidated Statements of Operations

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
REVENUE				
Services	\$ 5,576,956	\$ 5,372,103	\$ 15,736,434	\$ 17,564,877
License and maintenance	845,259	1,053,982	1,432,195	2,515,720
Other revenue	254,042	263,835	676,592	764,087
	6,676,257	6,689,920	17,845,221	20,844,684
COSTS				
Cost of services	3,652,635	3,482,554	10,829,516	11,843,770
Cost of license and maintenance	813,969	973,084	1,366,443	2,309,587
Cost of other revenue	237,915	243,009	628,106	711,333
	4,704,519	4,698,647	12,824,065	14,864,690
GROSS PROFIT	1,971,738	1,991,273	5,021,156	5,979,994
EXPENSES				
Sales and marketing	498,253	345,024	1,468,231	1,410,745
General and administrative	599,045	660,854	1,849,133	2,420,020
Other expenses	569,236	594,479	1,677,092	2,081,100
	1,666,534	1,600,357	4,994,456	5,911,865
Earning before amortization, interest and income taxes	305,204	390,916	26,700	68,129
Amortization of capital assets	(78,554)	(105,493)	(249,097)	(340,336)
Interest and investment income	13,908	8,066	54,477	48,833
Interest expense and financing costs	(10,260)	(16,263)	(28,216)	(69,633)
Income taxes	(13,477)		(38,674)	(37,100)
NET INCOME/(LOSS) FOR THE PERIOD	\$ 216,821	\$ 277,226	(234,810)	(330,107)
Net income (loss) basic and diluted, per share	\$ 0.00	\$ 0.00	\$ (0.00)	\$ (0.00)
Weighted average number of common shares used to calculate per share amounts, basic and diluted	72,660,220	72,528,046	72,622,264	72,514,266

See accompanying Notes to the Consolidated Financial Statements

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

	Three months ended September 30,		Nine months ended September 30,	
	2008	2007	2008	2007
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss) for the period	216,821	277,226	(234,810)	(330,107)
Items not affecting cash:				
Amortization of capital assets and intangibles	78,554	105,493	249,097	340,336
Amortization of assets used in outsourcing contract	44,260	44,260	132,780	132,780
Stock-based compensation	44,949	22,930	126,374	74,961
	384,584	449,909	273,441	217,970
Changes in operating assets and liabilities:				
Accounts receivable	(55,412)	(50,292)	(129,029)	(1,165,949)
Prepaid expenses	(58,946)	(62,041)	(128,102)	115,015
Accounts payable and accrued liabilities	752,460	245,335	528,112	544,810
Deferred revenue	586,676	268,275	484,819	(71,906)
	1,609,362	851,186	1,029,241	(360,060)
CASH FLOWS FROM INVESTING ACTIVITIES				
Short term investments	-	-	-	2,696,558
Purchase of capital assets, net of related accounts payable	(10,300)	(18,583)	(115,400)	(137,385)
	(10,300)	(18,583)	(115,400)	2,559,173
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments on capital lease obligations	(31,645)	(30,971)	(94,324)	(88,238)
Issue of common shares	-	3,900	5,000	5,463
	(31,645)	(27,071)	(89,324)	(82,775)
NET CASH INFLOW	1,567,417	805,532	824,517	2,116,338
EFFECT OF FOREIGN EXCHANGE RATE				
CHANGES ON CASH	134,471	(135,117)	228,774	(212,447)
CASH (EXCLUDING SHORT TERM				
INVESTMENTS), BEGINNING OF PERIOD	2,995,335	2,401,800	3,643,932	1,168,324
CASH (EXCLUDING SHORT TERM				
INVESTMENTS), END OF PERIOD	4,697,223	3,072,215	4,697,223	3,072,215

See accompanying Notes to the Consolidated Financial Statements

-