

Momentum Advanced Solutions Inc.
155 Commerce Valley Drive East
Markham, ON L3T 7T2
www.momentum.com

For Immediate Release

Momentum Announces Q1 Results *Achieves 7th Consecutive Quarter of Same Period Growth*

Markham, Ontario September 9, 2008 – **Momentum Advanced Solutions Inc. (TSX:WWW)**, (“Momentum” or the “Company”), a leader in IT hosting and managed website services, today announced results for the first quarter of fiscal 2009 ended July 31, 2008.

Q1 FY’09 vs. Q1 FY’08 Highlights

- Total revenue increased 19% to \$4,517,304 vs. \$3,804,536
- Web Solutions and Services (“WSS”) revenue increased 12% to \$2,738,260 vs. \$2,445,999
- Managed Services (“MS”) revenue increased 31% to \$1,779,044 vs. \$1,358,537
- EBITDA⁽¹⁾ improved to \$165,040 up \$250,507 from a loss of \$85,467
- Net loss from continuing operations was \$223,181 vs. a loss of \$355,901
- Net loss after discontinued operations was \$223,181 vs. a loss of \$394,139

Capital Resources

- July 31, 2008 unrestricted cash and cash equivalents of \$4,124,401
- Unused bank facility agreement remains in place for \$2,000,000

Subsequent Events

- Announced the acquisition of a top ranked technology based website on August 5th. The purpose of the acquisition was to help reduce future customer acquisition costs for the Company’s UltraHosting offering
- Announced the acquisition of the IT hosting division of BroadSpire Inc. on August 19th for \$2,660,000 USD (\$1,700,000 USD paid in cash at closing). Expected to add approximately \$1,500,000 to annual managed services revenue

“Our Q1 results reflect solid growth for our two business units over the same quarter of the prior year”, stated Sheldon Pollack, CEO of Momentum. “Management expects that revenue growth for the company will continue; supported in part by the acquisitions we made after the end of the quarter. Given our consistent improvement in revenue, combined with our ability to gain greater leverage from our fixed costs in our managed service business, we would expect to improve our bottom line in the coming quarters”.

Q1 FY’09 vs. Q1 FY’08

Total revenue for Q1 FY09 increased 19% or \$712,768 to \$4,517,304 compared with \$3,804,536 recorded in Q1 FY08. Total gross profit was \$1,591,036 an increase of \$164,508 compared with the \$1,426,528 recorded in Q1 FY08. The increase in revenue and gross profit occurred due to increases in revenue in Q1 of 2009 for WSS of 12% and in MS of 31% over the same quarter of

Momentum Announces Q1 Results**Page 2**

the prior year. The Company experienced revenue growth from both new and existing customers in the financial services, business services and automotive industries. In addition, revenue from the Company's managed services offering to small and medium sized businesses, launched in the fourth quarter of FY 2008 and branded as UltraHosting, grew to \$107,983 during the first quarter of FY 2009. The Company closed the first quarter with a monthly recurring revenue base for UltraHosting of approximately \$40,000 representing over 400 servers provisioned.

Operating expenses were \$1,802,963 in the first quarter of 2009, relatively unchanged from the \$1,794,516 recorded in the first quarter of 2008. A decrease in professional fees was offset by increases in internet based marketing costs.

The above resulted in an operating loss of \$211,927 for the first quarter of FY09 an improvement from the operating loss of \$367,988 recorded in the first quarter of FY08.

EBITDA⁽¹⁾ for the first quarter of 2009 was \$165,040 an improvement of \$250,507 from the EBITDA loss of \$85,467 recorded in the same quarter of the prior year

Interest expense net of interest income increased by \$23,341 for the first quarter of 2009 to \$11,254 vs. interest income net of interest expense of \$12,087 in the same quarter of the prior fiscal year. The increase in interest expense arose due to the higher level of capital lease obligations in Q1 2009 compared with the same quarter of the prior year.

As a result, net loss from continuing operations for the first quarter of 2008 was \$223,181 representing an improvement from the net loss from continuing operations of \$355,901 in the first quarter of FY08. Net loss after discontinued operations was \$223,181 compared with a net loss after discontinued operations of \$394,139.

Liquidity and Capital Resources

The Company had cash, cash equivalents and short-term investments of \$4,124,401 at July 31, 2008, relatively unchanged from the \$4,128,277 reported at April 30, 2008. Working capital was \$5,603,146 at July 31, 2008 compared with \$6,172,840 at April 30, 2008 due to increase in the current portion of obligations under capital leases and deferred revenue.

The Company continues to have available a \$2,000,000 demand operating facility from a major Canadian financial institution.

Normal Course Issuer Bid

On September 14, 2007, Momentum announced the commencement of a normal course issuer bid. As of July 31, 2008, the Company had repurchased 1,379,500 common shares at an average purchase price before commissions of \$0.17. Common shares repurchased have been or will be cancelled.

Momentum Advanced Solutions Inc.

Consolidated Balance Sheets

As at July 31 and April 30, 2008

	July 31, 2008 Unaudited	April 30, 2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,124,401	\$ 1,075,754
Short-term investments	-	3,052,523
Accounts receivable	4,239,596	3,879,258
Prepaid expenses and other assets	450,187	375,287
	8,814,184	8,382,822
Deferred costs and other assets	440,216	460,009
Capital assets	6,453,498	5,245,086
Goodwill	550,277	550,277
	\$ 16,258,175	\$ 14,638,194
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,918,921	\$ 1,480,581
Deferred revenue	420,318	186,990
Current portion of obligations under capital leases	871,799	542,411
	3,211,038	2,209,982
Obligations under capital leases	1,693,708	819,164
Long-term facility lease inducement and other	301,632	314,191
Shareholders' equity	11,051,797	11,294,857
	\$ 16,258,175	\$ 14,638,194

Momentum Advanced Solutions Inc.
Consolidated Statements of Operations,
Comprehensive Income and Retained Earnings (unaudited)
For the three months ended July 31, 2008 and 2007

	Three months ended July 31	
	2008	2007
Revenue		
Web solutions and services	\$ 2,738,260	\$ 2,445,999
Managed services	1,779,044	1,358,537
	<u>4,517,304</u>	<u>3,804,536</u>
Cost of revenue		
Web solutions and services	1,850,467	1,654,072
Managed services	816,078	577,420
Amortization of managed services assets	259,723	146,516
	<u>2,926,268</u>	<u>2,378,008</u>
Gross profit		
Web solutions and services	887,793	791,927
Managed services	703,243	634,601
	<u>1,591,036</u>	<u>1,426,528</u>
Expenses:		
Selling	803,678	695,435
Administrative	882,041	963,076
Other amortization	117,244	136,005
	<u>1,802,963</u>	<u>1,794,516</u>
Operating loss	(211,927)	(367,988)
Interest income	32,958	30,711
Interest expense	(44,212)	(18,624)
Loss from continuing operations	(223,181)	(355,901)
Loss from discontinued operations	-	(38,238)
Net loss and comprehensive loss	\$ (223,181)	\$ (394,139)
Retained earnings, beginning of period	\$ 4,165,107	\$ 4,156,501
Repurchase of shares	(15,654)	-
Loss for the period	(223,181)	(394,139)
Retained earnings, end of period	<u>\$ 3,926,272</u>	<u>\$ 3,762,362</u>
Basic and diluted loss per share		
Continuing operations	\$ -	\$ (0.01)
Discontinued operations	-	-
Basic and diluted loss per share	<u>\$ -</u>	<u>\$ (0.01)</u>
Basic weighted average common shares outstanding	64,409,898	65,625,077
Diluted weighted average common shares outstanding	64,896,218	66,125,223

Momentum Advanced Solutions Inc.
Consolidated Statements of Cash Flows (unaudited)
For the three months ended July 31, 2008, and 2007

	Three months ended July 31	
	2008	2007
Cash provided by (used in):		
Operations:		
Net loss	\$ (223,181)	\$ (394,139)
Items not involving cash:		
Amortization of capital assets	376,967	282,521
Amortization of deferred costs	26,973	4,250
Amortization of long-term facility lease inducement and other	(2,387)	-
Increase in long-term facility lease inducement and other	2,328	-
Unrealized gain on short-term investments	-	(4,665)
Stock based compensation	14,462	42,102
	195,162	(69,931)
Changes in non-cash operating working capital	236,430	1,363,655
	431,592	1,293,724
Financing:		
Addition to obligation under capital lease	1,378,815	-
Payments on obligations under capital leases	(174,883)	(50,896)
Repurchase of shares	(34,341)	-
Amortization of long-term facility lease inducement and other	(12,500)	(14,163)
	1,157,091	(65,059)
Investments:		
Purchase of capital assets	(1,585,379)	(427,797)
Purchase of short-term investments	-	(3,500,000)
Proceeds from maturity of short-term investments	3,052,523	-
Proceeds from sale of short-term investments	-	200,000
Additions to deferred costs	(7,180)	-
Decrease in restricted cash	-	250,000
	1,459,964	(3,477,797)
Increase (decrease) in cash	3,048,647	(2,249,132)
Cash and cash equivalents beginning of period	1,075,754	2,758,000
Cash and cash equivalents end of period	\$ 4,124,401	\$ 508,868

Momentum Announces Q1 Results
Page 6

1) EBITDA is defined as operating income (loss) adding back amortization of managed services assets and amortization of other assets. The Company uses EBITDA amongst other measures to assess the operating performance of its ongoing business. The Company believes that EBITDA is useful supplemental information as it provides an indication of the results generated by the Company's continuing business activities prior to taking into consideration financing costs and capital asset amortization costs. Similarly, readers may find this non-GAAP financial measure useful although the term EBITDA does not have a recognized meaning under Canadian GAAP and therefore may not be comparable to similarly titled measures presented by other companies. EBITDA should not be construed as the equivalent to cash flow from operations. The most comparable GAAP measurement for EBITDA is net income (loss) from continuing operations. A reconciliation between net income (loss) from continuing operations and EBITDA is provided below.

	Three months ended July 31	
	2008	2007
Net loss from continuing operations	\$ (223,181)	\$ (355,901)
Amortization of MS assets	259,723	146,516
Other amortization	117,244	136,005
Interest (income) expense, net	11,254	(12,087)
EBITDA	\$ 165,040	\$ (85,467)

Forward Looking Statement

This news release contains forward-looking information that is based on management's best estimates and the current operating environment. Forward-looking information typically contains words such as "anticipate", "believe", "should", "may", "expect", "intend", "plan" or similar words suggesting future outcomes. These statements are based upon certain material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information, including Momentum's perception of historical trends, current conditions and expected future developments as well as other factors management believes are appropriate in the circumstances.

Such forward-looking information is as of the date hereof and is subject to a number of known and unknown risks, uncertainties and other factors which could cause actual results or events to differ materially from future results or events expressed, anticipated or implied by such forward-looking information. Such factors may include but are not limited to, changes in markets and competition, technological and competitive developments and potential downturns in economic conditions generally. Therefore, actual outcomes and results may differ materially from those expressed in such forward-looking information. Readers are cautioned that such information may not be appropriate for other purposes. Other than as may be required by law, Momentum disclaims any intention or obligation to update or revise any such forward-looking information, whether as a result of new information, future events or otherwise.

Momentum Q1 Results
Page 7**About Momentum Advanced Solutions Inc.**

Momentum is a leader in Web outsourcing services. Its solutions provide customers with the innovation, integration, and operational expertise needed to reduce costs and/or improve productivity by outsourcing their mission critical, web-based applications and infrastructure to Momentum. Headquartered in Markham, Ontario, Momentum has offices in Ottawa, Windsor, Calgary and Toronto. Momentum Advanced Solutions is publicly traded on the Toronto Stock Exchange and trades under the symbol WWW.

Contact

Sheldon Pollack
Chief Executive Officer
Momentum Advanced Solutions Inc.
905-709-6825
Sheldon.Pollack@Momentum.com

Daren Selfe, CA
Chief Financial Officer
Momentum Advanced Solutions Inc.
905-709-6800
Daren.Selfe@Momentum.com