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*For Immediate Release*

## **Momentum Announces Q3 Results**

### *Overall Revenues Flat While Managed Services Revenue up 73%*

Markham, Ontario March 10, 2009 – **Momentum Advanced Solutions Inc. (TSX:WWW)**, (“Momentum” or the “Company”), a leader in IT hosting and managed website services, today announced results for the third quarter of fiscal 2009 ended January 31, 2009.

#### **Q3 FY'09 vs. Q3 FY'08 Highlights**

- Managed Services (“MS”) revenue increased 73% (45% organic, 28% from acquisition) to \$2,568,794 vs. \$1,483,157 in Q3 FY08
- Web Solutions and Services (“WSS”) revenue decreased 36% to \$1,992,376 vs. \$3,122,485
- Total revenue decreased 1% to \$4,561,170 vs. \$4,605,642
- EBITDA<sup>(1)</sup> of \$102,148 for Q3 FY'2009 vs. \$481,140
- Net loss of \$585,638 vs. net income of \$179,988

“While we are pleased with the continued growth in our managed services business, overall revenues for the quarter fell significantly short of our business plan”, stated Sheldon Pollack, CEO of Momentum. “During the quarter, our marketing initiatives continued to generate new recurring managed service revenues for the Company, while our ongoing investments in data centre infrastructure have allowed us to support the resulting growth. Unfortunately, the general downturn in the economy, and specifically the downturn in the automotive sector where we have historically focused, had a significant negative impact on our WSS business for the period. In order to address the revenue shortfall, substantive cost cutting measures have been implemented to better position the Company for a return to profitability. Notwithstanding these matters, based on the current pipeline of opportunities, management anticipates improvements in revenue in the upcoming quarters.”

#### **Q3 FY'09 vs. Q3 FY'08**

Total revenue for Q3 FY09 decreased 1% or \$44,472 to \$4,561,170 compared with \$4,605,642 recorded in Q3 FY08. An increase in Managed Service revenues of \$1,085,637 or 73% was offset by a decrease in Web Solutions and Services revenues of \$1,130,109 or 36%, over the same quarter of the prior year. Total gross profit was \$1,592,322, a decrease of 14% or \$266,407 compared with \$1,858,729 recorded in Q3 FY08.

Operating expenses were \$2,069,094 in the third quarter of 2009, up from \$1,717,341 recorded in the third quarter of the prior year. Operating expenses rose during the quarter primarily due to the continued execution of our FY09 marketing plan.

The Company had an operating loss of \$476,772 for the third quarter of FY09, compared with operating earnings of \$141,388 recorded in the third quarter of FY08. EBITDA<sup>(1)</sup> for the third quarter was \$102,148 compared with \$481,140 recorded in the same quarter of the prior year

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Net interest expense was \$108,866 in Q3 FY09, a change of \$129,314 compared with net interest income of \$20,448 in the same quarter of the prior year. This change was primarily due to the use of cash and establishment of a note payable relating to a business acquisition that occurred in August 2008, and the increase in capital lease obligations during the previous 12 month period.

As a result, net loss for the third quarter of FY09 was \$585,638 compared with net income of \$179,988 recorded in the third quarter of FY08.

### Liquidity and Capital Resources

The Company had cash and cash equivalents of \$1,910,997 at January 31, 2009, up from \$808,070 at October 31, 2008 due primarily to improved collection of accounts receivable. The Company also continues to have an undrawn \$2,000,000 demand operating agreement from a major Canadian financial institution. Availability is reduced by a \$250,000 letter of credit provided to guarantee facility lease obligations. The agreement is subject to compliance with covenants and a lending margin formula based on accounts receivable.

### Normal Course Issuer Bid

On September 12, 2008, the Company announced the renewal of its normal course issuer bid allowing for the purchase of up to 2,500,000 common shares until September 16, 2009. During Q3 FY09, no repurchases of common shares were made by the Company resulting in 64,105,577 common shares outstanding at January 31, 2009.

1) EBITDA is defined as net income (loss) from continuing operations adding back amortization of managed services assets, amortization of other assets, income taxes and net interest expense (income). 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 month period ended January 31		Nine month period ended January 31	
	2009	2008	2009	2008
Net Income (loss) from continuing operations	\$ (585,638)	\$ 179,988	\$ (787,825)	\$ (101,796)
Amortization of managed services assets	334,969	190,256	938,780	507,450
Other amortization	243,951	149,496	500,468	426,048
Income tax recovery	-	(18,152)	-	(18,152)
Interest (income) expense, net	108,866	(20,448)	185,983	(65,967)
<b>EBITDA</b>	<b>\$ 102,148</b>	<b>\$ 481,140</b>	<b>\$ 837,406</b>	<b>\$ 747,583</b>

# Momentum Advanced Solutions Inc.

## Consolidated Balance Sheets

As at January 31, 2009 and April 30, 2008

	January 31, 2009 Unaudited	April 30, 2008
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,910,997	\$ 1,075,754
Short-term investments	-	3,052,523
Accounts receivable	3,061,132	3,879,258
Prepaid expenses and other assets	429,951	375,287
	<hr/> 5,402,080	<hr/> 8,382,822
Deferred costs and other assets	463,031	460,009
Capital assets	7,241,297	5,245,086
Goodwill and other intangible assets	4,189,275	550,277
	<hr/> \$ 17,295,683	<hr/> \$ 14,638,194
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,690,497	\$ 1,480,581
Deferred revenue	472,479	186,990
Current portion of obligations under capital leases	1,252,883	542,411
Current portion of note payable	536,046	-
	<hr/> 3,951,905	<hr/> 2,209,982
Obligations under capital leases	1,993,046	819,164
Note payable	590,871	-
Long-term facility lease inducement and other	269,551	314,191
Shareholders' equity	10,490,310	11,294,857
	<hr/> \$ 17,295,683	<hr/> \$ 14,638,194

**Momentum Advanced Solutions Inc.**  
**Consolidated Statements of Operations,**  
**Comprehensive Income and Retained Earnings (unaudited)**  
**For the three and nine months ended January 31, 2009 and 2008**

	Three months ended January 31		Nine months ended January 31	
	2009	2008	2009	2008
Revenue				
Web solutions and services	\$ 1,992,376	\$ 3,122,485	\$ 7,597,519	\$ 8,243,699
Managed services	2,568,794	1,483,157	6,587,766	4,350,345
	4,561,170	4,605,642	14,185,285	12,594,044
Cost of revenue				
Web solutions and services	1,402,715	1,865,251	4,963,149	5,133,095
Managed services	1,231,164	691,406	3,133,463	1,859,748
Amortization of managed services assets	334,969	190,256	938,780	507,450
	2,968,848	2,746,913	9,035,392	7,500,293
Gross Profit				
Web solutions and services	589,661	1,257,234	2,634,370	3,110,604
Managed services	1,002,661	601,495	2,515,523	1,983,147
	1,592,322	1,858,729	5,149,893	5,093,751
Expenses:				
Selling	856,817	615,582	2,565,121	1,966,025
Administrative	968,326	952,263	2,686,146	2,887,593
Other amortization	243,951	149,496	500,468	426,048
	2,069,094	1,717,341	5,751,735	5,279,666
Operating income (loss)	(476,772)	141,388	(601,842)	(185,915)
Interest income	1,483	36,689	44,259	114,883
Interest expense	(110,349)	(16,241)	(230,242)	(48,916)
	(108,866)	20,448	(185,983)	65,967
Income (loss) before income taxes	(585,638)	161,836	(787,825)	(119,948)
Income tax recovery	-	18,152	-	18,152
Net income (loss) from continuing operations	\$ (585,638)	\$ 179,988	\$ (787,825)	\$ (101,796)
Net income (loss) from discontinued operations	-	-	-	(38,238)
Net income (loss) and comprehensive income (loss)	\$ (585,638)	\$ 179,988	\$ (787,825)	\$ (140,034)
Retained earnings, beginning of period	\$ 3,933,699	\$ 3,822,451	\$ 4,165,107	\$ 4,156,501
Repurchase of shares	-	(59,847)	(29,221)	(73,875)
Earnings (loss) for the period	(585,638)	179,988	(787,825)	(140,034)
Retained earnings, end of period	\$ 3,348,061	\$ 3,942,592	\$ 3,348,061	\$ 3,942,592
Basic and diluted earnings (loss) per share				
Continuing operations	\$ (0.01)	\$ -	\$ (0.01)	\$ -
Discontinued operations	-	-	-	-
Basic and diluted earnings per share	\$ (0.01)	\$ -	\$ (0.01)	\$ -
Basic weighted average common shares outstanding	64,105,577	64,857,292	64,240,242	65,359,680
Diluted weighted average common shares outstanding	64,105,577	64,996,154	64,421,299	65,584,146

**Momentum Advanced Solutions Inc.**  
**Consolidated Statements of Cash Flows (unaudited)**  
**For the three and nine months ended January 31, 2009 and 2008**

	Three months ended January 31		Nine months ended January 31	
	2009	2008	2009	2008
Cash provided by (used in):				
Operations:				
Net earnings (loss)	\$ (585,638)	\$ 179,988	\$ (787,825)	\$ (140,034)
Items not involving cash:				
Amortization of capital assets	495,985	339,752	1,330,023	933,498
Amortization of intangible assets	82,935	-	109,225	-
Amortization of deferred costs	30,264	7,488	82,799	16,155
Amortization of long-term facility lease inducement and other	(6,546)	(25,595)	(15,478)	(27,744)
Increase in long-term facility lease inducement and other	2,328	14,931	6,983	168,701
Unrealized gain on short-term investments	-	(31,973)	-	(71,245)
Unrealized foreign currency loss	68,112	-	144,201	-
Interest accretion on note payable	26,658	-	44,886	-
Stock based compensation	14,814	16,865	44,333	75,308
	128,912	501,456	959,147	954,639
Changes in non-cash operating working capital	1,715,323	237,458	1,042,180	1,295,692
Cash provided by (used in) operations	1,844,235	738,914	2,001,327	2,250,331
Financing:				
Addition to obligation under capital lease	772,024	307,578	2,545,032	608,318
Payments on obligations under capital leases	(270,886)	(78,307)	(660,678)	(206,933)
Repurchase of shares	-	(174,678)	(61,055)	(199,408)
Amortization of long-term facility lease inducement and other	(11,602)	(5,110)	(36,145)	(43,037)
Increase in long-term facility lease inducement and other	-	-	-	20,000
	489,536	49,483	1,787,154	178,940
Investments:				
Purchase of capital assets	(874,231)	(600,084)	(3,195,241)	(1,598,420)
Purchase of short-term investments	-	-	-	(3,300,000)
Maturity of short-term investments	-	-	3,052,523	350,000
Proceeds from disposition of capital assets	-	261,111	-	261,111
Additions to deferred costs and other assets	(36,252)	(44,567)	(85,821)	(44,567)
Decrease in restricted cash	-	-	-	250,000
Purchase of intangible assets	-	-	(650,836)	-
Purchase of business	(270,723)	-	(2,073,863)	-
	(1,181,206)	(383,540)	(2,953,238)	(4,081,876)
Effect of exchange rate changes on cash and cash equivalents	(49,638)	-	-	-
Increase (decrease) in cash and cash equivalents beginning of period	1,102,927	404,857	835,243	(1,652,605)
Cash and cash equivalents beginning of period	808,070	700,538	1,075,754	2,758,000
Cash and cash equivalents end of period	\$ 1,910,997	\$ 1,105,395	\$ 1,910,997	\$ 1,105,395

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**Page 6****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.

**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.

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