



**PRESS RELEASE**  
**For immediate release**

## **Nstein Technologies announces record results for fourth quarter 2008**

**(Montreal, Quebec), March 18, 2009** – Nstein Technologies inc. [www.nstein.com](http://www.nstein.com) (TSX-V : EIN), today announced its results for the fourth quarter and year ended December 31, 2008.

Nstein revenues for the fourth quarter of 2008 amounted to \$8.1 million, an increase of 29% compared to \$6.3 million a year earlier. The Company posted earnings before financial expenses, income taxes on earnings, depreciation, amortization, exchange loss and restructuring fees (EBITDA) of \$813,915 compared to \$555,970 the year before, an increase of 46%. Net earnings amounted to \$1,350,304 or \$0.026 per share, as opposed to \$109,713 or \$0.003 per share for the same period last year.

“Despite a difficult economic environment, Nstein was able to increase sales significantly during the fourth quarter of 2008. During this quarter, 8 new projects were sold, bringing the year’s total to 20. These results have made it possible to begin the 2009 fiscal year on a sound financial footing, so that we can actively continue to develop our products and market our solutions” said Luc Filiatreault, President and Chief Executive Officer of Nstein Technologies.

Nstein’s revenues for the year amounted to \$25.7 million, an increase of 41%, compared to \$18.2 million a year earlier. “Sales made during the year to major players in the publishing industry like Hearst Newspapers (owns over 65 newspapers including the San Francisco Chronicle and the Houston Chronicle), Bonnier (more than 40 magazines including Parenting and Popular Science), Independent News and Media (more than 200 publications including The Independent and The Belfast Telegraph) and others, indicating our progress toward our objective of becoming the leader in digital publishing solutions” said Luc Filiatreault. Acquisition of Picdar at the start of the year accounted for half of the increase in sales. The Company posted a loss before financial expenses, income taxes on earnings, depreciation, amortization, exchange loss and restructuring fees (Negative EBITDA) of \$1,647,955 compared to EBITDA of \$133,105 the previous year. The net loss amounted to \$2,149,386 or \$0.043 per share, as opposed to \$1,830,081 or \$0.049 for 2007. The decline in EBITDA is due in part to increased investment required at the beginning of the year to the sales force in order to accelerate the growth of the Company’s revenues and its developing markets in North America, the United Kingdom and France. Because of the economic slowdown, the revenues from software licenses were lower than the company had anticipated, since some customers delayed their decision to purchase. In the context of an uncertain economic environment, the Company made certain adjustments in its cost structure during second half of the year, including halting its hiring program and reducing some discretionary spending and the size of its workforce. This sound and rigorous management has enabled the Company to begin fiscal year 2009 with cash of 7.4M\$.

On February 9, the Company issued 910,000 stock options at an exercise price of \$0.28 to certain employees and executives.

**About Nstein Technologies Inc.**

Nstein Technologies (TSX-V: EIN) develops and markets multilingual solutions that power digital publishing for the most prestigious newspapers, magazines, and content-driven organizations. Nstein's solutions generate new revenue opportunities and reduce operational costs by enabling the centralization, management and automated indexing of digital assets. Nstein partners with clients to design a complete digital strategy for success using publishing industry best practices for the implementation of its Web Content Management, Digital Asset Management, Text Mining Engine and Picture Management Desk products. [www.nstein.com](http://www.nstein.com)

- The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.
- Any statement that appears prospective shall not be interpreted as such.



**NSTEIN TECHNOLOGIES INC.**

<b>Consolidated Balance Sheets</b>	<b>As at December 31,</b>	<b>As at December 31,</b>
	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,405,217	11,730,855
Term deposits	214,600	185,386
Accounts receivable	6,864,825	7,081,392
Refundable tax credits	984,478	1,540,023
Income taxes recoverable	335,656	-
Work in progress	680,639	875,350
Prepaid expenses	207,389	330,150
	<b>16,692,804</b>	<b>21,743,156</b>
<b>Property, plant and equipment</b>	<b>736,506</b>	<b>538,336</b>
<b>Intangible assets</b>	<b>3,364,257</b>	<b>1,171,188</b>
<b>Goodwill</b>	<b>10,496,905</b>	<b>5,641,574</b>
	<b>31,290,472</b>	<b>29,094,254</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Bank loans	-	563,280
Accounts payable and accrued liabilities	4,442,361	4,012,304
Deferred revenues	3,236,640	1,104,685
Future income tax liabilities	150,315	-
Current portion of long-term debt	330,503	295,997
	<b>8,159,819</b>	<b>5,976,266</b>
<b>Long-term debt</b>	<b>520,799</b>	<b>759,832</b>
<b>Future income tax liabilities</b>	<b>571,071</b>	<b>-</b>
	<b>9,251,689</b>	<b>6,736,098</b>
<b>Shareholders' Equity</b>		
Share capital	54,028,128	52,652,275
Other equity components	2,695,998	2,823,558
Contributed surplus	1,805,717	1,223,997
Deficit	(36,491,060)	(34,341,674)
	<b>22,038,783</b>	<b>22,358,156</b>
	<b>31,290,472</b>	<b>29,094,254</b>



**NSTEIN TECHNOLOGIES INC.**

Consolidated Statements of Earnings and Deficit	Three months ended		Years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	\$	\$	\$	\$
	(unaudited)	(unaudited)		
<b>Revenues</b>	<b>8,073,965</b>	<b>6,268,163</b>	<b>25,712,336</b>	<b>18,171,858</b>
<b>Cost of sales, net of tax credits</b>	<b>2,668,590</b>	<b>2,214,356</b>	<b>10,718,676</b>	<b>7,561,455</b>
	<b>5,405,375</b>	<b>4,053,807</b>	<b>14,993,660</b>	<b>10,610,403</b>
<b>Expenses</b>				
Selling and administrative	3,640,342	2,864,853	13,054,784	8,228,963
Research and development, net of tax credits	951,118	632,984	3,586,831	2,248,335
Depreciation of property, plant and equipment	88,008	51,890	314,439	191,289
Amortization of intangible assets	218,025	111,542	891,168	442,229
Exchange loss (gain)	(435,093)	117,107	(518,116)	149,118
Financial expenses (revenues)	(22,960)	(7,546)	(126,902)	519,045
Restructuring fees	-	173,264	419,156	661,505
	<b>4,439,440</b>	<b>3,944,094</b>	<b>17,621,360</b>	<b>12,440,484</b>
<b>Loss (earnings) before income taxes</b>	<b>(965,935)</b>	<b>(109,713)</b>	<b>2,627,700</b>	<b>1,830,081</b>
<b>Income tax recovery</b>				
Income taxes recovered	(346,791)	-	(346,791)	-
Future income taxes	(37,578)	-	(131,523)	-
	<b>(384,369)</b>	<b>-</b>	<b>(478,314)</b>	<b>-</b>
<b>Net loss (net earnings) and comprehensive loss (income)</b>	<b>(1,350,304)</b>	<b>(109,713)</b>	<b>2,149,386</b>	<b>1,830,081</b>
<b>Deficit - Beginning</b>	<b>37,841,364</b>	<b>34,451,387</b>	<b>34,341,674</b>	<b>32,511,593</b>
<b>Deficit - End</b>	<b>36,491,060</b>	<b>34,341,674</b>	<b>36,491,060</b>	<b>34,341,674</b>
<b>Basic and diluted net loss (net earnings) per share</b>	<b>(0.026)</b>	<b>(0.003)</b>	<b>0.043</b>	<b>0.049</b>
<b>Basic and diluted weighted average number of shares outstanding</b>	<b>51,506,288</b>	<b>41,113,271</b>	<b>50,085,716</b>	<b>37,043,429</b>



**NSTEIN TECHNOLOGIES INC.**

Consolidated Statements of Cash Flows	Three months ended		Years ended	
	December 31,		December 31,	
	2008	2007	2008	2007
	\$	\$	\$	\$
	(unaudited)	(unaudited)		
<b>Cash flows from operating activities</b>				
Net earnings (net loss)	1,350,304	109,713	(2,149,386)	(1,830,081)
Items not affecting cash and cash equivalents				
Interest capitalized on long-term debt	9,086	10,052	27,339	53,865
Unrealized exchange loss (gain)	(27,353)	(67,993)	13,564	(73,406)
Depreciation of property, plant and equipment	88,008	51,890	314,439	191,289
Amortization of intangible assets	218,025	111,542	891,168	442,229
Gain on disposal of property, plant and equipment	-	(4,393)	-	(4,393)
Amortization of deferred financing expenses	-	-	-	67,074
Stock-based compensation costs	106,680	94,186	489,163	348,050
Compensation costs related to the deferred share unit plan for directors	(28,809)	100,213	46,691	261,871
Costs related to the employee stock purchase plan	27,999	14,480	85,127	45,437
Income taxes	(37,578)	-	(131,523)	-
	<b>1,706,362</b>	<b>419,690</b>	<b>(413,418)</b>	<b>(498,065)</b>
Change in non-cash operating working capital items				
Accounts receivable	(1,323,438)	(3,102,207)	1,348,345	(2,714,916)
Refundable tax credits	618,728	(376,316)	555,545	(759,756)
Income taxes recoverable	(335,656)	-	(335,656)	-
Work in progress	883,770	(52,045)	194,711	(297,245)
Prepaid expenses	249,816	(100,462)	206,446	(144,615)
Accounts payable and accrued liabilities	(527,862)	822,021	(730,318)	59,590
Deferred revenues	222,144	539,391	563,154	448,789
	<b>(212,498)</b>	<b>(2,269,618)</b>	<b>1,802,227</b>	<b>(3,408,153)</b>
	<b>1,493,864</b>	<b>(1,849,928)</b>	<b>1,388,809</b>	<b>(3,906,218)</b>
<b>Cash flows from financing activities</b>				
Variation in bank loans	(110,538)	90,000	(563,280)	563,280
Payments on long-term debt	(132,763)	(49,263)	(405,607)	(1,188,991)
Payment on balance of purchase price of a subsidiary	28,177	-	(1,585,624)	-
Issuance of warrants, net of issue expenses	-	736,577	-	736,577
Issuance of common shares, net of issue expenses	(74,435)	6,788,186	(95,196)	11,671,071
	<b>(289,559)</b>	<b>7,565,500</b>	<b>(2,649,707)</b>	<b>11,781,937</b>
<b>Cash flows from investing activities</b>				
Variation in term deposits	-	(425)	(29,214)	5,735
Variation in short-term restricted cash	-	-	-	1,859,799
Business acquisitions, net of cash and cash equivalents	(68,121)	(48,390)	(2,790,291)	(48,390)
Additions to property, plant and equipment	(32,927)	(109,118)	(207,101)	(238,936)
Additions to intangible assets	(3,121)	(91,014)	(38,134)	(117,459)
Proceeds from the sale of property, plant and equipment	-	26,384	-	27,262
	<b>(104,169)</b>	<b>(222,563)</b>	<b>(3,064,740)</b>	<b>1,488,011</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,100,136</b>	<b>5,493,009</b>	<b>(4,325,638)</b>	<b>9,363,730</b>
<b>Cash and cash equivalents – Beginning</b>	<b>6,305,081</b>	<b>6,237,846</b>	<b>11,730,855</b>	<b>2,367,125</b>
<b>Cash and cash equivalents – End</b>	<b>7,405,217</b>	<b>11,730,855</b>	<b>7,405,217</b>	<b>11,730,855</b>

For more information:

**Nstein Technologies inc.**

**Investor Relations**

Bruno Martel

Chief Financial Officer

Tel.: (514) 908-5406

[bruno.martel@nstein.com](mailto:bruno.martel@nstein.com)

**Media**

David Crouy

Marketing Director

Tél. : (514) 908-5406

[david.crouy@nstein.com](mailto:david.crouy@nstein.com)