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www.labresearch.com
Toronto Stock Exchange Symbol: LRI

LAB RESEARCH ANNOUNCES 2008 FINANCIAL RESULTS

LAVAL, QC, March 30, 2009 - LAB Research Inc. ("LRI" or "LAB Research" or the “Company”) (TSX: LRI), a global Canadian-based non-clinical contract research organization, announced today its fourth quarter and 2008 year-end financial results. This press release contains forward-looking information, investors are invited to read the cautionary language contained under the section "Forward Looking Statements" below. We also use certain non-GAAP measures, including Backlog, Book to Bill ratio, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Margin, Adjusted net loss and Adjusted net loss per share as financial indicators. The Company believes such measures provide meaningful information on the Company’s performance and operating results. However, readers are cautioned that non-Generally Accepted Accounting Principles ("GAAP") measures do not have a standardized meaning under GAAP and they are thus, unlikely to be comparables to similar measures presented by other issuers.

2008 Financial Highlights from continuing operations

- Revenues of $58.5 million, up 6% compared to $55.1 million in 2007;
- Adjusted EBITDA of $4.7 million, compared to $9.8 million in 2007;
- Restructuring charges of $1.1 million;
- Settlement of Akela’s lawsuit totalling approximately $50 million for $1.1 million;
- Net loss of $6.6 million compared to net earnings of $2.2 million in 2007;
- Adjusted net loss, excluding restructuring charges, settlement of lawsuit expenses and write-off of deferred financing fees of $4.2 million;
- Net loss per share of $0.37 compared to net earnings of $0.12 in 2007;
- Adjusted net loss per share, excluding restructuring charges, settlement of lawsuit expenses and write-off of deferred financing fees of $0.23;
- Consolidated 2008 Book to Bill ratio of 1.17:1, including 1.31:1, 0.95:1 and 1.68:1 for Canada, Denmark and Hungary respectively; and
- Increase of 37% in our backlog at $36.8 million, compared to $26.9 million as at December 31, 2007, including increases of 73% and 236% for Canada and Hungary, respectively while Denmark decreased by 9%.

2008 Other Highlights

- Completion of Canadian facilities and services offering expansion;
- Closing of a $21.1 million financing for expansion of Canadian facilities;
- Government subsidies and loan totalling $3.0 million related to the expansion of Canadian facilities;

- Recertification of Hungarian and Danish sites by respective regulatory authorities; and
- Launch of new Business Development platform and agency agreement in Japan.

"Looking back at 2008, we can clearly see that the year was marked by significant events that seriously impacted our financial performance. Amongst others was a severe drop in global Research & Development ("R&D") spending which impacted all market players in the second half of 2008. The drop in R&D spending led to slower than anticipated study starts in our three operating units. The Company was also materially impacted by study cancellations in Hungary following the press release of the Akela litigation, restructuring and severance charges in both Hungary and Denmark and higher operating expenses (namely training of new employees) in Canada in relation to the expansion program. These events led to negative results for 2008 which, coupled with market disfavour regarding the Company's above industry average debt, impacted the capital market support for LRI. However, we have quickly adjusted our operating costs to adapt to the global slowdown in R&D spending, and have completed our growth capital investment program in late 2008, which led to a significant increase in our operating leverage. We can now focus at improving our profitability and cash flows to regain market support, and actively implement and pursue initiatives to address our financial requirements as well as our Canadian bank financial ratio covenants. As we are near completion of the first quarter of 2009, we remain optimistic regarding our ability to address the current challenges based on most recent events regarding our active backlog, liquidities and financial results." said Mr. Luc Mainville, President and CEO of LAB Research.

2008 Financial results from continuing operations

LAB Research posted revenues of $12.8 million for the fourth quarter of 2008, down 3.1% compared to the $13.2 million generated in the same period of 2007 and down 9.0% compared to the $14.1 million of the third quarter of 2008. For the year ended December 31, 2008, LAB posted revenues of $58.5 million, up 6.2% compared to $55.1 million for the same 2007 period. While LAB Canada and LAB Denmark's yearly combined revenues increased by 12.3% compared to 2007, the Hungarian site yearly revenues declined by 33.0% for the same period. The fourth quarter revenues were stable between 2008 and 2007 since no revenues were generated in the Canadian building expansion during the fourth quarter of 2008 and the capacity remained unchanged in our other sites. The decrease in revenues between the third and fourth quarters of 2008 is mainly due to a lower utilization of the Denmark site capacity.

Our Canadian operations ("LAB Canada") posted revenues of $6.1 million during the fourth quarter of 2008, up 8.0% compared to the $5.6 million in the same 2007 period, and up 5.1% compared to the $5.8 million achieved in the third quarter of 2008. LAB Canada posted revenues of $25.0 million for 2008, up 9.6% compared to the $22.8 million achieved during 2007. The respective revenue increases are attributable to a greater utilization of the site's capacity.

Our Danish subsidiary ("LAB Denmark") posted revenues of $5.7 million for the fourth quarter of 2008, down 11.8% compared to the $6.4 million achieved in the same 2007 period and down 20.5% compared to the third quarter of 2008. The revenue decrease between the

2008 and 2007 fourth quarters and between the third and fourth quarters of 2008 is attributable to a decreased utilization of the capacity due to lower bookings in previous quarters and a series of study postponements and cancellations. LAB Denmark posted revenues of $28.5 million for 2008, up 14.8% compared to the $24.8 million achieved in 2007. The yearly additional revenues were generated from the site's completed expansion in July 2007.

Our Hungarian subsidiary ("LAB Hungary") posted revenues of $1.1 million for the fourth quarter of 2008, down 7.8% compared to the $1.2 million generated in the same 2007 period and down 8.9% compared to the third quarter of 2008. LAB Hungary posted revenues of $5.0 million for 2008, down 33.0% compared to the $7.5 million achieved in 2007. The respective revenue decreases are mainly due to study postponements, a series of study cancellations and less demand for studies normally performed following the disclosure of the Akela demand letter. LAB Research's management believes that $3.7 million worth of studies were cancelled as a direct result of the Akela litigation disclosure.

The Company's gross margin was 22.2% for the fourth quarter of 2008 compared to 29.6% for the same 2007 period and 25.2 % in the third quarter of 2008. The gross margin decrease is attributable to much lower than anticipated revenues in Denmark. Our 2008 gross margin was 28.6% compared to the 35.8% generated in 2007. The negative variances are explained by lower than anticipated revenues in Denmark and Hungary and the high proportion of fixed operating costs following the 2007-2008 expansions.

Selling, general and administrative expenses ("SG&A") were $3.7 million for the fourth quarter of 2008, compared to $3.2 million for the same 2007 period, representing 28.8% and 24.5% of our revenues respectively. The increase in SG&A expenses is attributable to higher professional fees, legal fees in relation to Akela's litigation and additional salaries for new business development representatives. Our 2008 SG&A expenses were $11.6 million, compared to $10.0 million for 2007, representing 19.8% and 18.2% of our revenues, respectively. The yearly increase in SG&A is attributable to higher salary costs due to an increased number of staff hired to support the Hungarian turnaround and business development initiatives in Europe and higher professional fees.

Earnings before Interest, Income Taxes, Depreciation and Amortization ("EBITDA") for the fourth quarter of 2008 stood at ($3.9 million), compared to $0.4 million for the same 2007 period and $0.6 million for the third quarter of 2008. Our Adjusted EBITDA, excluding foreign exchange, restructuring charges and lawsuit settlement cost amounted to ($0.9 million) compared to $0.6 million for the same 2007 period representing (7.4%) and 4.5% of revenues, respectively. The Adjusted EBITDA margins decreased in all units, except for LAB Hungary. The negative variance is attributable in Denmark to much lower than anticipated revenue performance and, in Canada, to the hiring and training of staff required to operate the expanded facility. Our 2008 EBITDA was $2.2 million, compared to $9.1 million for the same 2007 period. Our Adjusted EBITDA, excluding certain rent expenses, foreign exchange, restructuring charges and lawsuit settlement cost amounted to $4.7 million, compared to $9.8 million for 2007. Adjusted EBITDA margins were 8.1% and 17.7% respectively. The Adjusted EBITDA margins decreased due to lower revenue performance than expected in Denmark and Hungary, and in Canada due to the hiring and training of staff required to operate the expanded facility.

Our amortization expense was $1.6 million for the fourth quarter of 2008, compared to $1.1 million for the same 2007 period. The increase is due to additional amortization charges resulting from the completion of building expansion projects in Denmark and Hungary in 2007. Our 2008 amortization expense amounted to $5.5 million, compared to $3.9 million for the same 2007 period. The increase is due to additional amortization charges resulting from the repurchase of the Canadian building in April 2007, and the completion of building expansion projects in Denmark and Hungary in 2007.

Our interest expense was $1.4 million for the fourth quarter of 2008, compared to $0.4 million for the same 2007 period (net of interest income of $0.1 million). The increase is primarily due to the additional debt incurred in connection with the building expansions in Denmark and Hungary and to the write-off of deferred financing fees following the classification of the Canadian debt as current liabilities attributable to violation of the bank financial ratio covenants. Please note that the Canadian bank has not called the loans. Our net interest expense for 2008, amounted to $3.1 million, compared to $1.2 million for the same period of 2007. The increase is primarily due to the additional debt incurred in connection with our reacquiring the Canadian building in April 2007, the expansions in Denmark and Hungary and the write-off of deferred financing fees combined with reduced interest income earned. The interest on new Canadian long-term debt related to the building expansion was capitalized in 2008.

We recognized a foreign exchange loss of $0.9 million for the fourth quarter of 2008, compared to a $0.2 million loss for the same 2007 period. The increase in foreign exchange expense occurred mainly in Canada where foreign exchange contracts were contracted earlier this year for lower rates than actual rates at December 31, 2008. We recognized a foreign exchange loss of $0.4 million for 2008, compared to $0.3 million for the same 2007 period. The foreign exchange gain realized by LAB Hungary, on the Euro denominated debt and on the forward exchange contract to purchase 2.5 million Euros to protect us against the volatility of the Euros against the Hungarian forints during the last quarters was offset by the foreign exchange loss incurred by LAB Canada on its forward exchange contracts in the fourth quarter of 2008.

The provision for income taxes stood at $0.2 million recovery for the fourth quarter of 2008, compared to $0.6 million expense for the same 2007 period, representing, 3.7% and 49.8 % of the loss before income taxes, respectively, compared to the combined Canadian federal and Quebec provincial income tax rate of 30.9%. The provision for income taxes stood for 2008 at $0.05 million, compared to $1.5 million for 2007, representing, 0.6% and 40.9% of the (loss) earnings before income taxes, respectively, compared to the combined Canadian federal and Quebec provincial income tax rate of 30.9%. The lower effective income tax rate in 2008 was attributable to i) a reversal of $1.0 million of future tax assets on losses in Hungary, creating an income tax expense of same amount and ii) an adjustment in 2007 for a decrease of enacted rates announced in Canada during the fourth quarter of 2007, which decreased our future tax asset and, therefore, increased our 2007 income tax expense.

The net loss from continuing operations for the fourth quarter of 2008 amounted to $6.7 million compared to $1.7 million for the same 2007 period. For the fourth quarter of 2008, our adjusted net loss from continuing operations (excluding restructuring charges net of income taxes of $0.8 million, the lawsuit settlement cost, net of income taxes of $1.1 million and the write-off of deferred financing fees, net of income taxes of $0.4 million) amounted to $4.4 million. Our loss per share and our adjusted loss per share from continuing operations amounted to $0.37 ($0.37 per share on a diluted basis) and $0.24 ($0.24 per share on a diluted basis), respectively on the basis of 18,089,360 weighted average shares outstanding (basic), compared to a loss per share of $0.09 ($0.09 per share on a diluted basis) for the same period in 2007 on the basis of 18,049,844 weighted average shares outstanding (basic). The net loss from continuing operations for 2008 amounted to $6.6 million compared to net earnings from continuing operations of $2.2 million for 2007. For 2008, our adjusted net loss from continuing operations (excluding restructuring charges, net of income taxes of $0.9 million, the lawsuit settlement cost, net of income taxes of $1.1 million and the write-off of deferred financing fees, net of income taxes of $0.4 million) amounted to $4.2 million. Our loss per share and adjusted loss per share from continuing operations amounted to $0.37 ($0.37 per share on a diluted basis) and $0.23 ($0.23 per share on a diluted basis), respectively on the basis of 18,070,445 weighted average shares outstanding (basic), compared to earnings per share from continuing operations of $0.12 ($0.12 per share on a diluted basis) for the same 2007 period on the basis of 18,039,413 weighted average shares outstanding (basic).

In our press release dated February 6, 2009, covering our preliminary results for the fourth quarter and the year ended December 31, 2008, we announced an anticipated net loss of $4.2 million for the fourth quarter. The negative variance of $2.5 million (between a net loss of $6.7 million and $4.2 million) is attributable to non-operational matters being the lawsuit settlement of $1.1 million, the reversal of future tax assets on accumulated non-capital losses in Hungary of $1.0 million and the write-off of deferred financing fees of $0.4 million.

There is significant doubt about the appropriateness of the use of the going concern assumption because for the twelve months ended December 31, 2008, the Company incurred a loss of $6.6 million. In addition, as at December 31, 2008, the Company was in compliance with all bank financial ratio covenants, except for LAB Canada's covenants on its bank loan of $15.7 million, its bridge construction loan of $12.3 million and its equipment loan of $9.5 million. As at December 31, 2008, the current liabilities of the Company exceeded current assets by $45.8 million and the Company had capital commitments of $3.3 million. Considering the bank's right to demand repayment of the loans, the Canadian loans were classified as current liabilities. The Canadian bank has not called the loans but if it exercises its right, the Company will have insufficient funds to meet its obligations.

The aggressive capital expenditure program financed exclusively using the Company balance sheet has led to a financial leverage which is out of norm considering the current financial environment. The Company has now completed its expansion program and has put a hold on any further capacity driven investments to ensure its entire cash flows are used to address its financial and bank obligations.

The Company has cash on hand of $0.1 million and projections showing positive cash flows for the next 12 months. While management is monitoring the operating initiatives put in place to ensure that cash flow projections will materialize, the Company is also considering a number of alternatives to secure additional capital including additional funding facilities or equity issues and management is actively negotiating with its Canadian banker to address the current issues. Nevertheless, there is no assurance that these initiatives would be successful or sufficient and that bank financial ratios covenants will be met at each of the future compliance dates during 2009.

The Company's ability to continue as a going concern and to realize the carrying value of its assets and discharge of its liabilities when due is dependent upon its ability to generate positive cash flows from operations and obtaining additional financing, which management believes will mitigate the adverse conditions and events which raise doubt about the validity of the going concern assumption used in preparing the financial statements. There is no certainty that these and other strategies will be sufficient to permit the Company to continue beyond the near future.

Completion of the 3 year, $65 million expansion program of facilities and service offerings

In December, 2008, we completed the expansion of our Canadian facilities. LAB Research's Canadian site now totals 156,000 ft^2 and features 80 rooms representing increases of 88% and 122% respectively. In 2008 only, $24.0 million has been invested to expand the facilities. As part of this project, the Company also enlarged its service offering as follows: since January 1, 2009, bioanalytical and expanded analytical services are now offered to our clientele; new drug metabolism laboratories will offer a full range of services during the second quarter 2009, while new inhalation toxicology department will be validated for studies to start during the second half of 2009.

Akela litigation

On March 10, 2009, we reached an agreement with Akela to settle all outstanding litigations initiated by Akela against the Company. Under the terms of the agreement, the full settlement amount was paid on closing by LAB Research in combination with its insurer. As part of the $2 million settlement, LAB Research issued warrants to Akela to purchase 500,000 common shares of the Company at a price per share of $0.50, which represented the weighted average trading price of the Company's common shares of the five days preceding the closing date of the agreement. The warrants expire on December 31, 2010. After netting the insurer contribution, the Company recorded a $1.1 million expense related to its share of the settlement.

2009 Outlook

As we enter 2009, we focus on monitoring our cash flow projections which presume a swift improvement in our consolidated results. This can only happen if each of our sites demonstrate a strong recovery from the last quarter of 2008. However, LAB Research is better positioned than ever to reap the benefits of its 3-year expansion program which brought each of our operating sites to critical mass and enabled us to expand service offerings and facilitate a broad expansion of our client base. By leveraging the latter and initiating aggressive business development initiatives, we are positioned once again for significant growth as demonstrated by our record high and still growing backlog. The recertification of our European sites by their respective regulatory authorities alleviated all concerns and should shortly lead to a strong recovery. While we are focused on improving operating cash flows to deleverage our balance sheet, we still benefit from favourable repayment terms and continued drop in the interest cost of our debt. Our view is that our debt service requirements are manageable given the above as well as our recently increased operating leverage and capacity. We are also actively pursuing and implementing initiatives to obtain our financial requirements as well as address our Canadian bank financial ratio covenants. We recognize the challenges in front of us but our proactive cost reduction measures implemented in all our sites and new business development initiatives should help improve the financial performance of the Company. As we are near completion of our first quarter results, we are confident that we will now start to see improvement of our profitability in 2009.

Forward-Looking Statements

Certain statements in this document are forward looking and prospective. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. Readers of this document are cautioned not to place undue reliance on our forward-looking statements as a number of factors could cause future results, conditions, actions, or events to differ materially from the operating target, expectations, estimates, or intentions expressed in the forward-looking statements. For additional information on these and other factors, see the reports filed by LAB Research with Canadian securities regulators.

Forward-looking statements reflect our current views with respect to future events and are based upon what we believe are reasonable assumptions and subject to risks and uncertainties. These forward-looking statements represent our estimates and assumptions only as at the date of this document. We undertake no obligation and do not intend to update or revise these forward-looking statements, unless required by law.

About LAB Research Inc.:

LAB Research is a Canadian global non-clinical contract research organization that provides contract research services to the pharmaceutical, biotechnology, agro-chemical, petro-chemical and industrial markets. LAB Research supports the development of its customers' products from three state-of-the-art facilities located in Canada, Denmark and Hungary.

LAB Research's shares trade on The Toronto Stock Exchange ("TSX") under the symbol "LRI", with 18.1 million shares outstanding.

This news release contains certain forward-looking statements that reflect the current views and/or expectations of LAB Research Inc. with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions. Actual results and events may vary significantly.

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Appendix 1: Non-GAAP Measures –

We use certain non-GAAP measures, including Book to Bill ratio, Backlog, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Gross Margin, Adjusted net loss and Adjusted net loss per share financial performance indicators. The Company believes such measures provide meaningful information on its performance and operating results. However, readers are cautioned that non-GAAP measures do not have a standardized meaning under GAAP and, thus, they are unlikely to be comparable to similar measures presented by other issuers.

EBITDA

The following table reconciles our net (loss) earnings to our EBITDA and our Adjusted EBITDA, from continuing operations by reporting periods.

	Three months ended December 31		Twelve months ended December 31	
	2008	**2007**	**2008**	**2007**
(in thousands of dollars)	**$**	**$**	**$**	**$**
Net (loss) earnings from continuing operations	(6,723)	(1,702)	(6,599)	2,187
Adjustments for:				
Income taxes (Recovery)	(259)	566	42	1,512
Interest expense on long-term debt	1,421	486	3,196	1,419
Amortization	1,620	1,073	5,536	3,945
EBITDA	(3,941)	423	2,175	9,063
Rent expense (1)	-	-	-	363
Foreign exchange	887	174	398	348
Restructuring charges (2)	1,032	-	1,096	-
Settlement of lawsuit (3)	1,075	-	1,075	-
Adjusted EBITDA	(947)	597	4,744	9,774
Adjusted EBITDA margin %	-7.4%	4.5%	8.1%	17.7%

(1) Rent expense on the Canadian facility, as a result of the sale-leaseback transaction from November 1, 2005 to April 16, 2007 (see below).

(2) During the year 2008, the Company recorded severance costs related to the restructuring and downsizing of its operations in Denmark and Hungary.

(3) On March 10, 2009, the Company and Akela reached an agreement to settle all outstanding litigation initiated in 2008 by Akela against the Company. Under the terms of the agreement, the full settlement amount was paid on closing by LAB Research in combination with its insurer. As part of the settlement, LAB Research issued warrants to Akela to purchase 500,000 common shares of the Company with a price per share of $0.50, which represented the weighted average trading price of the Company's stock for the five days preceding the closing date of the agreement. The warrants expire on December 31, 2010. The Company recorded $1.1 million related to its share of the settlement.

While operating as a segment of our former parent company, we entered into a sale-leaseback transaction on the Canadian facility, which took effect on November 1, 2005. On April 17, 2007, following our Initial Public Offering ("IPO"), and in accordance with our strategic growth plan, we reacquired the property. Accordingly, prior to November 1, 2005 and after April 16, 2007, "amortization" includes amortization of the related building and "interest, net" includes interest expense on the long-term debt secured by the building. Between November 2005 and April 2007, while the sale-leaseback transaction was in effect, amortization and interest expense related to the building was replaced by "rent expense" in our statements of earnings.

(b) Gross margin

Gross margin refers to revenues less direct costs. Direct costs do not include depreciation expense of assets used in our direct operations.

The following table presents our gross margins from continuing operations by reporting periods.

	Three months ended December 31		Twelve months ended December 31	
	2008	2007	2008	2007
	$	$	$	$
(in thousands of dollars)				
Revenues	12,839	13,243	58,498	55,108
Direct costs	9,984	9,324	41,782	35,375
Gross margin	2,855	3,919	16,716	19,733
Gross margin %	22.2%	29.6%	28.6%	35.8%

LAB RESEARCH INC.

Consolidated Balance Sheets

December 31, 2008 and 2007
(in thousands of Canadian dollars)

	December 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	$ 102	$ 6,825
Accounts and other receivables	10,011	9,450
Work in progress	3,511	2,913
Income taxes receivable	1,473	1,894
Prepaid expenses	1,410	1,361
Future income taxes	3,083	916
	19,590	23,359
Property and equipment	85,607	60,176
Intangible assets	1,845	2,076
Other assets	6,916	3,598
Future income taxes	1,620	3,435
	$ 115,578	$ 92,644
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 13,493	$ 10,391
Building expansions related accounts payable	850	1,282
Holdback payable	1,750	203
Deferred revenue	9,180	7,949
Current portion of long-term debt	39,416	2,111
Future income taxes	720	585
	65,409	22,521
Long-term debt	17,264	33,825
Other debt	140	-
Future income taxes	2,529	1,924
Shareholders' equity:		
Share capital	63,951	63,753
Additional paid-in capital	1,077	682
Accumulated other comprehensive income (loss)	682	(1,186)
Deficit	(35,474)	(28,875)
	(34,792)	(30,061)
	30,236	34,374
Basis of presentation and going concern		
Commitments, contingencies and guarantees		
Litigation		
Subsequent events		
	$ 115,578	$ 92,644

LAB RESEARCH INC.

Consolidated Statements of Earnings

Years ended December 31, 2008 and 2007
(in thousands of Canadian dollars, except per share data)

	2008	2007
Revenues	$ 58,498	$ 55,108
Expenses:		
Direct costs	41,782	35,375
Selling, general and administrative	11,586	10,017
Restructuring charges	1,096	-
Stock-based compensation	448	522
Amortization of property and equipment	4,987	3,428
Amortization of intangible assets	549	517
Interest, net	3,134	1,202
Foreign exchange loss	398	348
Settlement of lawsuit	1,075	-
	65,055	51,409
(Loss) earnings before income taxes	(6,557)	3,699
Provision for income taxes	42	1,512
Net (loss) earnings from continuing operations	(6,599)	2,187
Net loss from discontinued operations	-	(92)
Net (loss) earnings	$ (6,599)	$ 2,095
(Loss) earnings per share		
Basic:		
Continuing operations	$ (0.37)	$ 0.12
Discontinued operations	-	-
	$ (0.37)	$ 0.12
Diluted:		
Continuing operations	$ (0.37)	$ 0.12
Discontinued operations	-	(0.01)
	$ (0.37)	$ 0.11

LAB RESEARCH INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2008 and 2007
(in thousands of Canadian dollars)

	2008	2007
Cash flows (used in) from operating activities:		
Net (loss) earnings	$ (6,599)	$ 2,095
Net loss from discontinued operations	-	92
Net (loss) earnings from continuing operations	(6,599)	2,187
Adjustments for:		
Amortization of property and equipment	4,987	3,428
Amortization of intangible assets	549	517
Unrealized foreign exchange loss (gain)	97	(365)
Stock-based compensation	448	522
Future income taxes	(53)	895
Settlement of lawsuit in exchange of warrants to be issued	75	-
Amortization and write-off of deferred financing fees	659	-
Other	103	105
Changes in non-cash balances related to operations	(1,390)	(2,875)
	(1,124)	4,414
Net cash from operations provided by discontinued operations	-	96
	(1,124)	4,510
Cash flows (used in) from financing activities:		
Proceeds from issuance of common shares	145	60
Proceeds from issuance of long-term debt	19,468	32,157
Repayment of long-term debt	(1,690)	(4,332)
Repayment of capital leases	(543)	(541)
Repayments under bank credit facilities	-	(223)
	17,380	27,121
Cash flows (used in) from investing activities:		
Additions to property and equipment	(23,356)	(33,262)
Loan receivable	-	(300)
Other	39	164
	(23,317)	(33,398)
Effect of exchange rate changes on cash and cash equivalents denominated in foreign currencies	338	76
Net decrease in cash and cash equivalents	(6,723)	(1,691)
Cash and cash equivalents, beginning of year	6,825	8,516
Cash and cash equivalents, end of year	$ 102	$ 6,825