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XENTEL REPORTS DECEMBER 31, 2008 FISCAL YEAR END RESULTS

| Period ended December 31 | Three months | | Fiscal year | |
|---|--------------|-----------|-------------|------------|
| | 2008 | 2007 | 2008 | 2007 |
| (\$ 000's, except per share amounts) | | | | |
| Revenue | \$ 24,455 | \$ 22,866 | \$ 96,219 | \$ 100,079 |
| Gross Margin | 4,844 | 3,872 | 22,757 | 20,698 |
| Net (loss) earnings | (187) | (1,106) | 1,518 | (1,477) |
| EBITDA | 213 | (1,210) | 5,275 | 1,303 |
| EPS, fully diluted | \$ 0.00 | \$ (0.04) | \$ 0.06 | \$ (0.06) |
| EBITDA, per share, fully diluted | \$ 0.01 | \$ (0.05) | \$ 0.20 | \$ 0.05 |
| *EBITDA – Net Earnings before income taxes, interest, depreciation and amortization. Since Gross Margin, EBITDA and diluted EBITDA per share have no standardized GAAP meaning, the comparability of these amounts to other enterprises may not be possible if the basis of calculation of differs. | | | | |

Calgary, Alberta, April 30, 2009: Xentel DM Incorporated (TSX Venture Exchange: XDM) a North American specialty entertainment and relationship marketing company, today reported its financial results for the three and twelve months ended December 31, 2008.

Net loss for the fourth quarter 2008 was \$187 thousand compared to a net loss of \$1,106 thousand for the fourth quarter 2007. Revenues amounted to \$24,455 thousand compared to \$22,866 thousand for the fourth quarters 2008 and 2007 respectively. EBITDA for the three months ended December 31, 2008 was \$213 thousand compared to negative EBITDA of \$1,210 thousand for the same period in 2007. In the fourth quarter 2008, the Canadian traditional calling patterns were modified to alleviate the potential impact of the introduction of the do not call list in Canada resulting in a small loss for the quarter.

For the fiscal years ended December 31, 2008 and 2007 revenues were \$96,219 thousand and \$100,079 thousand respectively. For the twelve months ended December 31, 2008 the Company had net earnings of \$1,518 thousand or \$0.06 per share compared to a net loss of \$1,477 thousand or negative \$0.06 per share for the same period in 2007. EBITDA for the year ended December 31, 2008 was \$5,275 thousand or \$0.20 per basic and diluted share compared to EBITDA for the same period in 2007 of \$1,303 thousand or \$0.05 per basic and diluted share.

In 2008, the Company elected to change its accounting practices and wrote off work in process as of January 1, 2007 in the amount of \$6,421 thousand less the associated future income tax effect of \$2,480 thousand to retained earnings. Also, during the year 2008, long term debt (except for an amount due to related party) was substantially paid and the intangible assets that were part of the 2003 acquisition have been fully depreciated.

During the year, the Company:

- strategically adjusted fiscal arrangements with certain clients designed to improve profitability,
- improved data management,
- modified its labour utilization model, and,
- continued its cost optimization measures.

2008 was a year when the prior actions reflected in improved results. Branch overhead and corporate administration costs decreased 10% year over year. Throughout 2008, management realigned labour utilization and significantly altered the previously proven business model to better adapt to current circumstances.

David Winograd, President US operations stated, “2008 results are much improved over 2007 and prior years. Despite the challenges presented in the current softening economic conditions, the Company has continued to improve its operating performance.”

Michael Platz, Chairman, added, "The 2008 results are a testament to the spirit and effort displayed by all members of the Xentel team. My personal thanks goes out to each and every one of them."

Xentel is one of North America's leading relationship-marketing concerns and producers of cause-related entertainment events. The Corporation's success is attributable to proprietary sales tools including technologically advanced teleservices and sophisticated customer databases. Xentel has over 400 clients and 1,900 employees in over 25 offices across North America.

Certain statements in this press release may constitute "forward looking statements" and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any performance or achievement expressed or implied by such "forward looking statements".

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Xentel DM Incorporated
Consolidated Balance Sheets
As at December 31
('000s)

| | 2008 | 2007 |
|--|------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,365 | \$ 205 |
| Accounts receivable, net of allowances | 6,910 | 6,488 |
| Inventory | 617 | 628 |
| Prepaid expenses | 1,235 | 838 |
| Due from related party | 1,589 | - |
| Future income taxes | 1,568 | 230 |
| Other intangible assets | 64 | 1,277 |
| Goodwill | 1,239 | 1,004 |
| | <u>\$ 20,726</u> | <u>\$ 20,293</u> |
| | ===== | ===== |
| Liabilities | | |
| Current liabilities | | |
| Bank indebtedness | \$ 86 | \$ 1,303 |
| Accounts payable and accrued liabilities | 5,877 | 5,913 |
| Income taxes payable | 275 | 64 |
| Current portion of long term liabilities | 141 | 1,343 |
| Future income taxes | 715 | 662 |
| Due to related party | 3,244 | - |
| | <u>10,338</u> | <u>9,285</u> |
| Long term debt | 6 | 24 |
| Future income taxes | 38 | 1,028 |
| Deferred tenant inducement | 223 | 306 |
| Due to related party | - | 2,488 |
| | <u>10,605</u> | <u>13,131</u> |
| Shareholders' equity | | |
| Share capital | 8,925 | 9,280 |
| Warrants | - | 205 |
| Contributed surplus | 558 | 79 |
| Accumulated other comprehensive income | (2,389) | (3,911) |
| Retained earnings | 3,027 | 1,509 |
| | <u>10,121</u> | <u>7,162</u> |
| | <u>\$ 20,726</u> | <u>\$ 20,293</u> |
| | ===== | ===== |

Xentel DM Incorporated
Consolidated Statements of Operations and Retained Earnings
For the years ended December 31
('000s, except per share amounts)

| | 2008 | 2007 |
|---|-------------|-------------|
| Revenue | \$ 96,219 | \$ 100,079 |
| Cost of revenue | 73,462 | 79,381 |
| | <hr/> | <hr/> |
| Gross margin | 22,757 | 20,698 |
| | <hr/> | <hr/> |
| Corporate expenses | | |
| Branch overhead and corporate administration | 17,482 | 19,395 |
| Interest expense | 427 | 702 |
| Amortization of equipment | 977 | 1,156 |
| Amortization of intangible assets | 1,306 | 1,584 |
| | <hr/> | <hr/> |
| | 20,192 | 22,837 |
| | <hr/> | <hr/> |
| Earnings (loss) before undernoted items | 2,565 | (2,139) |
| Other items | | |
| Expenses relating to the 2003 privatization lawsuit | (74) | (240) |
| | <hr/> | <hr/> |
| Earnings (loss) before income taxes | 2,491 | (2,379) |
| | <hr/> | <hr/> |
| Income tax expense (recovery) | | |
| Current income tax expense | 240 | (256) |
| Future income tax expense | 733 | (646) |
| | <hr/> | <hr/> |
| | 973 | (902) |
| | <hr/> | <hr/> |
| Net earnings (loss) | 1,518 | (1,477) |
| Retained earnings, beginning of year | 1,509 | 6,927 |
| Write off of work in process, net of future income taxes of \$2,480 | - | (3,941) |
| | <hr/> | <hr/> |
| Retained earnings, end of year | \$ 3,027 | \$ 1,509 |
| | ===== | ===== |
| Basic and diluted net earnings (loss) per share | \$ 0.06 | \$ (0.06) |
| | ===== | ===== |
| Basic weighted average number of shares | 26,111 | 26,195 |
| | ===== | ===== |
| Diluted weighted average number of shares | 26,111 | 26,195 |
| | ===== | ===== |

Xentel DM Incorporated
Consolidated Statements of Contributed Surplus
For the years ended December 31
('000s)

| | 2008 | 2007 |
|--|-----------------|----------------|
| Balance, beginning of year | \$ 79 | \$ 70 |
| Stock based compensation on vesting of options | 15 | 9 |
| Expiry of warrants | 205 | - |
| Discount on share repurchase from stated value | 259 | - |
| Balance, end of year | \$ 558 ===== | \$ 79 ===== |

Xentel DM Incorporated
Consolidated Statements of Comprehensive Income (Loss)
For the years ended December 31
('000s)

| | 2008 | 2007 |
|---|-------------------|---------------------|
| Net earnings (loss) for the year | \$ 1,518 | \$ (1,477) |
| Foreign currency translation adjustment from self sustaining foreign operations | 1,522 | (914) |
| Comprehensive income (loss) | \$ 3,040 ===== | \$ (2,391) ===== |

Xentel DM Incorporated
Consolidated Statements of Accumulated Other Comprehensive Income
For the years ended December 31
('000s)

| | 2008 | 2007 |
|---|---------------------|---------------------|
| Balance, beginning of year | \$ (3,911) | \$ (2,997) |
| Foreign currency translation adjustment from self sustaining foreign operations | 1,522 | (914) |
| Balance, end of year | \$ (2,389) ===== | \$ (3,911) ===== |

Xentel DM Incorporated
Consolidated Statements of Cash Flows
For the years ended December 31
(*000s)

| | 2008 | 2007 |
|--|-----------------|----------------|
| Cash flows from (used in) operating activities | | |
| Net earnings (loss) for the year | \$ 1,518 | \$ (1,477) |
| Non cash transactions reflected in net earnings (loss) | | |
| Amortization | 2,283 | 2,740 |
| Future income tax expense (recovery) | 732 | (646) |
| Stock based compensation | 15 | 9 |
| Adjustment for non cash interest | 258 | 322 |
| | <u>4,806</u> | <u>948</u> |
| Net change in non cash working capital items | | |
| Accounts receivable | 312 | 1,916 |
| Inventory | 99 | (71) |
| Prepaid expenses | (323) | 198 |
| Other current assets | (1) | (3) |
| Income taxes payable | 207 | (737) |
| Accounts payable and accrued liabilities | (522) | (373) |
| | <u>(228)</u> | <u>930</u> |
| Net change in non cash working capital items | (228) | 930 |
| | <u>4,578</u> | <u>1,878</u> |
| Cash flows from (used in) financing activities | | |
| Bank indebtedness | (1,242) | 192 |
| Long term debt repaid | (1,446) | (1,989) |
| Redemption of share capital | (107) | - |
| Issuance of share capital on option exercise | 11 | - |
| | <u>(2,784)</u> | <u>(1,797)</u> |
| Cash flows (used in) investing activities | | |
| Investment in equipment | (675) | (772) |
| | <u>(675)</u> | <u>(772)</u> |
| Effect of exchange rate fluctuations on cash balances | | |
| | <u>41</u> | <u>101</u> |
| Net increase in cash and cash equivalents | 1,160 | (590) |
| Cash and cash equivalents, beginning of year | <u>205</u> | <u>795</u> |
| Cash and cash equivalents, end of year | <u>\$ 1,365</u> | <u>\$ 205</u> |