

BURLINGTON TECHNOLOGIES INC.
CCAA CASH FLOW REPORT
FORECAST TO ACTUAL
PERIOD 3 - TWO WEEK PERIOD ENDED JAN 17, 2009
(CDN)

NOTES

A

As agreed with RBC, the Company's original DIP cash flow forecast did not incorporate tooling collections and related costs as these items were to be considered separately as part of the security rights of EDC. The Company has completed its negotiations with EDC for the continuation of the EDC tooling loan facility. For completeness and disclosure purposes, the Company intends to continue to report tooling receipts and disbursements separately.

B

Cumulative tooling disbursements include certain critical "Hostage" payments to suppliers to secure ongoing supply of services so as not to disrupt planned customer releases/shipments including

Tooling Hostage Payments to	Reko Automation	\$ 100,000
Tooling Hostage Payments to	Ming Lee Tooling (1)	\$ 26,351
Tooling Hostage Payments to	XL Technologies (1)	\$ 97,857
		<u>\$ 224,208</u>

(1) The above amounts were paid in US dollars equivalent of \$99,150.

C

Collections were as expected on a cumulative basis for the period ended Jan 17, 2009. Collections during the two week period ended Jan 17, 2007 were greater than budget as receipts expected in period 2 were not collected until period 3 due to holiday schedules.

D

On a cumulative basis, material costs were higher by \$31,779 as the Burlington Division shutdown originally projected to be for three shifts during the week of Dec 15-19, 2008 was delayed to the week of Jan 5-9, 2009 and extended to only two of three shifts in order to ensure supply of all customer releases.

E

Cash used for payroll expense was below the cumulative forecast by \$66,062 mostly due to a timing difference in the pension contribution to the Burlington Division CWIPP pension plan. Additional payroll costs for the extra shift noted in note D above were offset timing differences with respect to the prepayment of benefit costs which has not been required.

F

Overhead expenses to date were below forecast by approximately \$1,237,000. This is mostly due to timing differences including hydro service not yet invoiced of \$50,000, natural gas costs not yet invoiced of \$320,000, security costs at the Brantford plant not yet invoiced \$50,000, unutilized contingency reserve of \$407,000 and accounts payable totaling approximately \$365,000. These differences are expected to reverse in future periods. To date unplanned payments under the contingency reserve total \$193,000. \$18,000 to Scotia bank to make the last payment on a Scotia lease and \$175,000 in retroactive lease payments to RBC for lease 31872-2299.

Cumulative Contingency Reserve Budgeted to date	\$600,000
Amount Expensed to Contingency Fund	\$ (193,000)
Unused Contingency Reserve to date	<u>\$ 407,000</u>

- G** Professional fees to date were less than projected by \$62,800 for services not yet invoiced. This difference is timing in nature and expected to reverse in future periods.
- H** Relocation costs to date were below forecast by \$302,155 due to timing differences in subcontractor invoices and is expected to reverse in future periods.
- I** EDC insurance premium was \$20,500 lower than expected due to lower sales volumes.
- J** Financing costs to date are greater than forecast by \$ 145,621. This is mostly due to a permanent difference of \$55,000 in pre-filing interest payments made to EDC and a temporary timing difference related to RBC lease payments of \$126,276 which were paid one week earlier than had been forecasted.

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	RECEIPTS AND PAYMENTS PERIOD 3			RECEIPTS AND PAYMENTS CUMULATIVE		
	JAN 4, 2009-JAN 17, 2009			DEC 9, 2008-JAN 17, 2009		
	FORECAST	ACTUAL	VARIANCE (%)	FORECAST	ACTUAL	VARIANCE (%)
Cash Inflows						
Net Tooling Collections	\$ -	\$ 334,470	100.00%	\$ -	\$ 1,115,851	100.00% A
Tooling Disbursements	\$ (131,880)	\$ (542,175)	-100.00%	\$ (409,060)	\$ (1,306,861)	-100.00% A,B
Net Tooling Cash flow	\$ (131,880)	\$ (207,705)	100.00%	\$ (409,060)	\$ (191,010)	100.00%
Total Collections under DIP cashflow forecast	2,773,181	3,448,591	24.36%	6,852,361	6,828,754	-0.34%
Total Collections	2,641,301	3,240,886	22.70%	6,443,301	6,637,744	3.02% C
Cash Outflows						
Material Purchases	472,931	446,872	5.51%	775,498	807,277	-4.10% D
Hourly and Salary Labour	664,191	660,988	-2.53%	2,254,048	2,320,109	-2.93% E
Division and Corporate Overhead Expenses	586,351	163,253	72.16%	1,711,678	474,244	72.29% F
Professional Fees/CRO costs	48,000	190,897	-297.70%	294,000	231,191	21.36% G
Alumetco Relocation Costs	50,000	28,576	42.85%	520,000	217,845	58.11% H
EDC Insurance	-	-	100.00%	70,000	49,500	29.29% I
Financing Cost	171,871	355,511	-106.85%	784,626	930,248	-18.56% J
Monitoring Fee/Commitment	50,000	55,000	-10.00%	55,000	55,000	0.00%
Total Disbursements	2,043,344	1,921,097	5.98%	6,464,851	5,085,413	21.34%
Net Change in Cash Position	597,956	1,319,789	120.72%	(21,549)	1,552,331	-7303.61%
Net Tooling Cashflow		207,705			191,010	
Opening (Dip Facility)/Cash in Bank	(619,506)	251,567	871,073	-	19,028	19,028
Closing (Dip Facility)/Cash in Bank	(21,550)	\$ 1,779,062	1,592,906	(21,549)	1,762,369	1,783,918

Balance Per Bank	\$ 1,614,721
O/S cheque Dec 17/08 CDN #54517	\$ (42,469)
#54118	\$ (259)
#54519	\$ (467)
# 5675	\$ (180)
Funds received relating to EDC advance	\$ -
Net Tooling Cashflow	\$ 1,571,357
	\$ 191,010
	\$ 1,762,368