



## Nexient Learning Inc. Announces Second Quarter Results

### FOR IMMEDIATE RELEASE

Sydney, Nova Scotia – August 10, 2007 - Nexient Learning Inc. (TSX: NXN), announced today its unaudited financial results from the second quarter ended June 30, 2007.

"We are pleased to report our financial results for the second quarter that clearly demonstrates the positive impact of our efforts to align costs with revenues and improve efficiencies throughout the entire organization. For the comparative quarters of 2007 and 2006, our efforts have resulted in an increase of revenues of more than \$500,000, improved gross margin, EBITDA\* that has more than doubled and net income of \$300,000. As well we have achieved positive cash flow for both quarters in 2007." said Colleen Moorehead, President & Chief Executive Officer. "We will build upon these successes by continuing to implement revenue growth strategies that are customer focused and leverage our national footprint. In line with this objective the Company has realigned its sales force to maximize the efficiency of our sales efforts and better meet our clients training needs. Our client base continues to grow to include global companies that are choosing Nexient as their national training partner for Canada."

### Second Quarter Highlights

For the three-month period ended June 30, 2007:

- Revenues increased to \$16,976,048 from \$16,406,867 for the same period in 2006
- Gross Margin increased to 55.0% from 52.3% for the same period in 2006
- EBITDA\* more than doubled in the second quarter of FY 2007 compared to the second quarter of 2006
- Net Income was achieved for the second quarter of FY 2007 for the first time in eight quarters
- Nexient was named the exclusive Canadian distributor of Tata Interactive Systems' TOPSIM® business simulation product line. This will allow Nexient to help companies improve their business results through multi-player simulations that provide employees with the realistic experience of business operations in a risk-free environment.

### Financial Data

In millions, except per share data	<i>Three months ended June 30th</i>		<i>Six months ended June 30th</i>	
	<i>Unaudited</i>		<i>Unaudited</i>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues	\$16.98	\$16.41	\$33.03	\$33.03
EBITDA*	1.87	0.90	3.01	1.79
Net Income (Loss), Cont. Operations	0.29	(0.95)	(0.60)	(1.62)
Net Income (Loss), Disc. Operations	-	(0.04)	-	(0.14)
Net Income (Loss)	0.29	(0.99)	(0.60)	(1.76)
Earnings (Loss) Per Share	\$0.01	(\$0.04)	(\$0.02)	(\$0.07)

\* EBITDA - Earnings before interest, taxes, depreciation and amortization does not have a standardized meaning under GAAP. However, management believes that this is a useful performance measure as it approximates cash generated from operations.

The Company's financial advisors, NewPoint Capital Partners, have worked with management under the direction of Nexient's Board of Directors, and have undertaken an extensive review of the Company's opportunities within the capital markets and strategic alternatives. Nexient and its financial advisors are currently engaged in discussions with various parties. Should a transaction or refinancing be successfully concluded with one or more of these parties, Nexient will be able to meet its financial obligations and continue to pursue its business strategy. There can be no assurance that any agreement will result from

these discussions or that any transaction will be completed.

### **About Nexient Learning Inc.**

Nexient Learning Inc. is the largest corporate training and consulting company in Canada. Nexient delivers the broadest choice of top calibre, industry-recognized curricula in information technology, business process improvement and leadership and business skills. Nexient's learning services include learning management systems, curriculum development and strategic consulting. With 18 locations across Canada, Nexient offers innovative learning solutions in both classroom and online formats. Nexient is traded on the Toronto Stock Exchange as "NXN". More information is available on the company's website at [www.nexientlearning.com](http://www.nexientlearning.com).

### ***Forward Looking Statements***

*This press release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors including economic conditions which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. As discussed in this press release and in the second quarter Management's Discussion and Analysis, the Company has initiated a cost restructuring plan for the purpose of streamlining business processes and restoring profitability. There is always risk inherent in restructuring plans that the end result will not have the desired outcome and further action will need to be taken by the Company. As indicated in this press release and in the second quarter Management's Discussion and Analysis, and as previously announced, the Company is assessing all available financing opportunities that will allow the Company to meet its debt obligations that mature in November 2007. The Company will use its best efforts to complete such a financing transaction but can make no assurances that such a transaction will be completed. The Company has focused its efforts on realizing the synergies of its acquired intellectual property for the purpose of revenue growth however revenue growth may not be achieved because of customer demand, plan execution or competitive forces. There can be no assurance that the financing will be completed or that other forward-looking statements will prove to be accurate and readers should not place undue reliance on forward-looking statements. The Corporation specifically disclaims any obligation to update these forward-looking statements.*

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**Nexient Learning Incorporated**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited)*

<i>As at</i>	June 2007	December 31, 2006
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 756,029	\$ 969,688
Accounts receivable	11,474,775	12,921,866
Inventories	462,978	480,106
Prepaid expenses	627,696	655,851
	<u>13,321,478</u>	<u>15,027,511</u>
Capital assets	4,285,789	3,356,933
Other assets	691,371	3,322,954
Intangible assets	7,899,744	8,484,878
Future income tax	2,518,411	2,504,642
Goodwill	11,199,780	11,199,780
	<u>26,595,095</u>	<u>28,869,187</u>
	<u>\$ 39,916,573</u>	<u>\$ 43,896,698</u>
<b>Liabilities and Shareholders' Deficiency</b>		
Current liabilities:		
Operating loan	\$ 3,950,000	\$ 2,983,424
Accounts payable and accrued liabilities	12,164,921	14,218,406
Deferred revenue	2,182,285	3,011,147
Convertible debentures	830,363	-
Current portion of long-term debt	27,708,618	28,158,808
Current portion of obligations under capital lease	165,678	192,688
Current portion of deferred lease inducements	157,496	90,906
	<u>47,159,361</u>	<u>48,655,379</u>
Long-term debt	458,214	750,000
Obligations under capital lease	176,719	91,383
Deferred lease inducements	1,133,878	609,455
Shareholders' deficiency:		
Share capital	19,211,408	19,115,275
Contributed surplus	4,469,947	4,386,405
Deficit	<u>(32,692,954)</u>	<u>(29,711,199)</u>
	<u>(9,011,599)</u>	<u>(6,209,519)</u>
	<u>\$ 39,916,573</u>	<u>\$ 43,896,698</u>

**Nexient Learning Incorporated**  
**Consolidated Statements of Earnings, Comprehensive Loss and Deficit**  
**Periods ended June 30, 2007 and 2006**

(unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
Revenues	\$ 16,976,048	\$ 16,406,867	\$ 33,026,608	\$ 33,030,652
Cost of revenues	7,643,065	7,818,753	15,251,730	15,521,573
Gross margin	9,332,983	8,588,114	17,774,878	17,509,079
Operating expenses:				
General and administrative	4,130,209	4,896,627	8,368,893	9,956,965
Sales and marketing	3,093,920	2,787,034	6,148,767	5,730,151
Restructuring	242,558	-	242,558	30,449
	7,466,687	7,683,661	14,760,218	15,717,565
Income before the following	1,866,296	904,453	3,014,660	1,791,514
Depreciation and amortization	621,977	659,950	1,257,765	1,510,649
Gain on sale of business analyst agreement	-	-	-	(450,722)
Interest on long-term debt	796,080	841,839	1,803,582	1,728,491
Other interest expense	157,180	335,844	544,462	604,376
	1,575,237	1,837,633	3,605,809	3,392,794
Income (loss) before taxes	291,059	(933,180)	(591,149)	(1,601,280)
Income tax expense	4,961	15,040	5,854	17,251
Income (loss) from continuing operations	286,098	(948,220)	(597,003)	(1,618,531)
Loss from discontinued operations	-	(39,000)	-	(137,984)
Net income (loss) and comprehensive income (loss)	286,098	(987,220)	(597,003)	(1,756,515)
Deficit, beginning of period	(32,979,052)	(21,598,746)	(29,711,199)	(20,829,451)
Adoption of accounting policy				
Financial instruments			(2,384,752)	-
Deficit, end of period	\$ (32,692,954)	\$ (22,585,966)	\$ (32,692,954)	\$ (22,585,966)
Income (loss) per share:				
Continuing operations	0.8 ¢	(4.0) ¢	(1.7) ¢	(6.8) ¢
Discontinued operations	-	(0.2) ¢	-	(0.6) ¢
	0.8 ¢	(4.2) ¢	(1.7) ¢	(7.4) ¢
Weighted average number of common shares outstanding	34,631,971	23,450,324	34,607,016	23,835,043

**Nexient Learning Incorporated**  
**Consolidated Statements of Cash Flows**  
**Periods ended June 30, 2007 and 2006**  
(unaudited)

	Three Months		Six Months	
	2007	2006	2007	2006
Cash provided by (used in):				
Operating activities:				
Income (loss) from continuing operations	\$ 286,098	\$ (948,220)	\$ (597,003)	\$ (1,618,531)
Add items not involving cash:				
Stock-based compensation	41,317	43,510	83,542	58,383
Amortization of deferred finance charges	-	289,239	-	548,540
Amortization of deferred lease inducements	(39,374)	-	(73,199)	
Cash interest payments deferred and converted to convertible debenture	-		864,102	
Accretion of convertible debenture	23,680	14,428	41,032	41,071
Accretion of long-term debt	21,293		55,991	-
Depreciation and amortization	621,977	659,950	1,257,765	1,510,649
Gain on sale of business analyst agreement	-	-	-	(450,722)
Future income taxes	(10,039)	15,040	(13,769)	5,818
Cash received for lease inducements	-	-	664,212	-
Changes in non-cash working capital balances	(199,765)	(295,492)	(1,401,401)	(2,349,824)
Discontinued operations	-	(78,199)	-	(181,115)
Cash provided by (used in) operating activities	745,187	(299,744)	881,272	(2,435,731)
Financing activities:				
Issue of share capital for cash	18,087	500,000	21,362	500,000
Increase in operating loan	450,000	-	966,576	-
Increase in long-term debt	-	-	-	156,647
Repayments of long-term debt	(308,273)	(432,201)	(574,436)	(773,178)
Repayments of obligations under capital lease	(94,277)	(68,520)	(212,150)	(95,109)
Cash provided by (used in) financing activities	65,537	(721)	201,352	(211,640)
Investing activities:				
(Increase) decrease in other assets	(63)	(113,333)	24,961	(165,000)
Sale of intangible assets	-	-	-	2,854,239
Purchase of intangible assets	(98,428)	(85,000)	(175,974)	(126,188)
Purchase of capital assets	(705,454)	(22,185)	(1,145,270)	(52,536)
Cash required for acquisition	-	(145,096)	-	(145,096)
Discontinued operations	-	(28,003)	-	(28,003)
Cash provided by (used in) investing activities	(803,945)	(393,617)	(1,296,283)	2,337,416
Increase (decrease) in cash for the period	6,779	(694,082)	(213,659)	(309,955)
Cash and cash equivalents, beginning of period	749,250	1,133,977	969,688	749,850
Cash and cash equivalents, end of period	\$ 756,029	\$ 439,895	\$ 756,029	\$ 439,895