



News Release
Acceleware Reports Fourth Quarter and Year End Results for Fiscal 2010
For Immediate Release

CALGARY, Alberta – March 8, 2011 – Acceleware® Corp. (“Acceleware” or the “Company”) (TSX-V: AXE), a leading developer of high performance computing applications, today announced results for the three months and fiscal year ended December 31, 2010 (all figures are in Canadian dollars unless otherwise noted).

During the year ended December 31, 2010 Acceleware showed significantly improved profitability and cash flow from operating activities, compared to the year ended December 31, 2009. Profitability and cash flow from operating activities improved as the Company shifted its product mix to higher margin products, and continued to focus on controlling expenses. However, revenue decreased in 2010 compared to the previous year. Revenue decreased principally due to the absence in 2010 of a large one time sale of software that occurred in 2009. In addition, the Company focussed on software and services in 2010, and had reduced hardware sales compared to 2009.

“We are very pleased to report significant improvements in profitability and cash flow from operating activities in fiscal 2010 compared to fiscal 2009,” said Geoff Clark CEO of Acceleware. “In addition our performance improvement continues in Q4 of 2010, with our third consecutive quarter of improved revenue, net loss, and cash flow from operating activities. Of particular note is the continuation of positive cash flow from operating activities in Q4, 2010.”

Year End Results

The Company had a net loss for the year ended December 31, 2010 of \$738,994 a 33% decrease compared to a net loss of \$1,107,392 for the year ended December 31, 2009. The reduced net loss is a result of decreased expenses, primarily general and administrative, and cost of revenue, offset by reduced revenue. Throughout 2010, management continued to focus on cost reduction resulting in lower general and administrative expense. In addition, the focus away from hardware product sales caused a reduction in cost of revenue. Cash used in operating activities decreased 79% to \$196,108 for 2010 compared to \$938,786 for 2009, due to cash expense reductions implemented by management throughout 2010. The Company generated positive cash flow from operating activities over the last six months of 2010.

During the year ended December 31, 2010, Acceleware recognized revenue of \$2,484,411 representing a 31% decrease over the \$3,598,997 recognized during the year ended December 31, 2009. The decrease is a result of the absence in 2010 of a significant one-time sale of software that was recognised in 2009. In addition the Company focussed away from hardware sales which also reduced recognised revenue for 2010. The reduction in product sales also resulted in a reduction of maintenance revenue. However, consulting revenue increased in 2010 compared to 2009.

At December 31, 2010 Acceleware had \$342,618 (2009- \$528,768) in working capital, including \$353,584 (2009 - \$547,172) in cash and cash equivalents, and no (2009 - \$nil) short term debt. The decrease in working capital is due principally to the decrease in cash and cash equivalents. The decrease in cash and cash equivalents is due to cash used in operating activities.

Fourth Quarter Results

During the three months ended December 31, 2010 ("Q4, 2010") Acceleware recorded its third consecutive improvement in quarterly net loss. Net loss decreased compared to the three months ended September 30, 2010 ("Q3, 2010") resulting from maintaining revenue in Acceleware's core markets of CAE and oil and gas exploration at similar levels to Q3, 2010, while decreasing expenses compared to Q3, 2010. In addition, the Company recorded positive quarterly cash flow from operating activities for two consecutive quarters for the first time in its history.

During the three months ended December 31, 2010 Acceleware had a net loss of \$80,685, a 66% decrease compared to a net loss of \$237,880 for the three months ended December 31, 2009 ("Q4, 2009"). The decrease is a result of reduced expenses across all business functions, and increased revenue. Net loss decreased 23% from \$105,024 recorded in Q3, 2010 on lower expenses related to cost of revenue and G&A. Cash flow from operating activities increased to \$51,552 for Q4, 2010 compared to \$34,596 in Q3, 2010 and compared to negative (\$352,832) in Q4, 2009. During Q4, 2010 the Company recognized revenue of \$672,556 representing a 10% increase over the \$610,884 recognized during Q4, 2009, principally due to increased consulting revenue. Revenue was comparable to the \$671,425 recognized in Q3, 2010.

Revenue

During the quarter ended December 31, 2010, the Company recorded revenues of \$672,556 an increase of 10% compared to \$610,884 for the quarter ended December 31, 2009 and comparable to the \$671,425 recorded for Q3, 2010. The increase compared to Q4, 2009 can be attributed to higher consulting and product revenue, partially offset by lower maintenance revenue.

Product sales revenue increased 71% to \$153,126 for Q4, 2010 compared to \$89,644 for Q4, 2009 due to an overall rebound in demand for the Company's CAE software products. Product sales revenue also increased 14% to \$153,126 for Q4, 2010 compared to \$134,763 for Q3, 2010, due to the same improvement in demand. Maintenance revenue decreased 64% to \$61,764 for Q4, 2010 compared to \$171,429 for Q4, 2009 and 42% compared to \$106,016 for Q3, 2010. As the Company has seen reduced product revenue over the last 4 quarters compared to the previous four quarters, maintenance revenue attributed to those sales has also decreased. As the Company continued to market its consulting services offerings, consulting revenue increased 34% to \$457,613 in Q4, 2010 compared to \$342,448 in consulting revenue recognized in Q4, 2009 and increased 6% compared to \$430,555 in Q3, 2010. Consulting revenue has increased in oil and gas markets as well as in Acceleware's HPC training courses which have seen significant traction in 2010. Interest revenue decreased to \$53 for Q4, 2010 from \$7,363 in Q4, 2009 and \$91 in Q3, 2010 due to interest received on the ABCP investment prior to the sale.

Expenses

Expenses decreased 11% during the three months ended December 31, 2010 to \$753,241 from \$848,764 for the three months ended December 31, 2009. The decrease is a result of reduction in cost of revenue due to the absence of hardware cost of revenue including inventory the write-down that occurred in Q4, 2009 and a reduction in G&A expense offset by an increase in R&D. Expenses decreased 3% from the \$776,449 recorded in Q3, 2010 due to a reduction in G&A expense.

Cost of revenue for Q4, 2010 decreased 54% to \$134,233 from \$289,490 in Q4, 2009. The reduction is due to a reduction in hardware cost of revenue brought on by the Company's implementation of a software-only business model including an inventory write-down of \$51,594 recorded in the fourth quarter, 2009, which is partially offset by the direct costs for personnel

associated with consulting services. Cost of revenue increased 13% compared to the \$119,034 recorded in Q3, 2010. The decrease is a result of increased direct costs for consulting services.

For the three months ended December 31, 2010 G&A expenses decreased 43% to \$312,305 from \$548,235 recorded in Q4, 2009. The decrease is as a result of reductions in staff and expenses as part of the continued cost reduction effort. G&A expenses also decreased 16% in Q4, 2010 compared to the \$373,508 recorded in Q3, 2010, for the same reason.

For the three months ended December 31, 2010, R&D expenditures increased 519% to \$273,847 from \$44,260 for the three months ended December 31, 2009. The increase is a result of two factors. Firstly, government funding from National Research Council's – Industrial Research Assistance Program ("NRC-IRAP") decreased in Q4, 2010, compared to Q4, 2009. Secondly, the Company recorded \$11,433 in refundable Alberta SR&ED tax credits as a reduction in R&D expense in Q4, 2010, compared to \$178,974 for Q4, 2009. These net increases were offset by lower salary costs and consulting fees associated with R&D for Q4, 2010 compared Q4, 2009. R&D increased 12% in Q4, 2010 compared to the \$244,314 recorded in Q3, 2010 due to reduced Alberta SR&ED tax credits and reduced IRAP funding.

Additional information, including the annual audited financial statements for the year ended December 31, 2010 and management's discussion and analysis relating thereto are available on SEDAR at www.sedar.com.

About Acceleware:

Acceleware develops and markets solutions that enable software vendors to leverage heterogeneous, multi-core processing hardware without rewriting their applications for parallel computing. This acceleration middleware allows customers to speed-up simulation and data processing algorithms, benefitting from high performance computing technologies available in the market such as multiple-core CPUs, GPUs or other acceleration hardware.

Acceleware solutions are deployed by companies worldwide such as Philips, Boston Scientific, Samsung, Kodak, General Mills, Nokia, LG, RIM, Medtronic, Hitachi, Fujifilm, FDA, Mitsubishi, Sony Ericsson, AGC, NTT DOCOMO, P-Wave Seismic and Renault to speed up product design, analyze data and make better business decisions in areas such as consumer electronics, industrial design, seismic data processing, imaging for the medical, industrial testing and security, defense, financial, and academic research.

Acceleware is a public company on Canada's TSX Venture Exchange under the trading symbol AXE.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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Acceleware Corp.

Balance Sheets (unaudited)

As at:

	December 31, 2010	December 31, 2009
Assets		
Current		
Cash and cash equivalents	\$ 353,584	\$ 547,172
Accounts receivable	517,584	567,210
Alberta SR&ED tax credits receivable	109,301	178,974
Prepaid expenses	22,748	16,709
	1,003,217	1,310,065
Property and equipment	272,241	565,437
	\$ 1,275,458	\$ 1,875,502
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 536,654	\$ 574,282
Deferred revenue	123,945	207,015
	660,599	781,297
Shareholders' Equity		
Share capital	16,474,036	16,359,210
Contributed surplus	5,814,196	5,669,374
Deficit	(21,673,373)	(20,934,379)
	614,859	1,094,205
	\$ 1,275,458	\$ 1,875,502

Acceleware Corp.

Statement of Operations, Comprehensive Loss and Deficit (unaudited) For the:

	Three months ended December 31, 2010	Three months ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2009
Revenue	\$ 672,556	\$ 610,884	\$ 2,484,441	\$ 3,598,997
Expenses				
Cost of revenue	134,233	289,490	458,626	1,026,983
General and administrative	312,305	548,235	1,605,673	2,457,726
Research and development	273,847	44,260	1,006,098	1,181,534
Gain on investment	—	(62,921)	—	(82,328)
(Gain) loss on disposal of property and equipment	(736)	(320)	(1,509)	3,627
Amortization	33,592	30,020	154,547	118,847
	753,241	848,764	3,223,435	4,706,389
Loss for the period, being comprehensive loss	(80,685)	(237,880)	(738,994)	(1,107,392)
Deficit, beginning of period	(21,592,688)	(20,696,499)	(20,934,379)	(19,826,987)
Deficit, end of period	\$ (21,673,373)	\$ (20,934,379)	\$ (21,673,373)	\$ (20,934,379)
Loss per share				
Basic and diluted	\$ (0.001)	\$ (0.005)	\$ (0.01)	\$ (0.02)
Weighted average shares outstanding	54,534,748	52,238,235	54,138,364	51,372,681