



## **FOR IMMEDIATE RELEASE**

### **Press Contact**

David Gallagher  
+1-403-291-2492  
info@qsound.com

### **QSound Labs Receives Nasdaq Delisting Notice**

**Calgary, Alberta, March 27, 2009 - QSound Labs, Inc. (NASDAQ: QSND)**, a leading developer of audio and voice software solutions, today reported that it received a Nasdaq Staff Determination letter on March 25, 2009, indicating that the Company fails to comply with the minimum stockholders' equity requirement of \$2.5 million as set forth in Nasdaq Marketplace Rule 4310 (c) (3). The Company's securities will be suspended from The Nasdaq Stock Market at the opening of business on April 3, 2009, and a Form 25-NSE will be filed with the Securities and Exchange Commission removing the Company's securities from listing and registration on The Nasdaq Stock Market. The Company does not intend to appeal Nasdaq's decision.

The Company is considering taking steps to maintain an active trading market for its shares through listing on the TSX Venture Exchange. In addition, QSound's shares may be eligible for quotation on the Pink Sheets by market makers.

As previously reported on March 18, 2009, for the first and second quarters of 2009 the Company expects revenues to at least match those earned in the fourth quarter of 2008. The Company has implemented a cost containment program that targets reducing operating expenses by 37% in 2009 as compared to 2008. So for the foreseeable future, the Company expects to be operationally cash flow positive.

### **About QSound Labs, Inc.**

Since its inception in 1988, QSound Labs, Inc. has built upon its original audio technology base by adding voice and graphics technologies thus creating a unique and compelling multimedia IP portfolio. The Company has also successfully established relationships with major OEMs in the consumer products market. The Company's customer and partner roster includes ARM, Broadcom, MiTAC, Panasonic, Qualcomm, Sony Vaio and Toshiba among others. QSound Labs supports its customer base with offices in North America, China, Japan and Korea. For demos and to learn more about QSound, visit our web site at <http://www.qsound.com>.

- more -

### **QSound Labs, Inc.**

Head Office & Technical Research Facility: #102, 2816 - 11th Street NE Calgary, Alberta, Canada T2E 7JS7

Tel: +1-403-291-2492 • Fax: +1-403-250-1521 • Email: info@qsound.com

**[www.qsound.com](http://www.qsound.com)**

*This release contains forward-looking statements within the meaning of the Private Securities Litigation Act of 1995 concerning, among other things, delisting of the Company's shares from Nasdaq, reduction of operating expenses in 2009, and expectations of revenues levels for the first 2 quarters of 2009 and cash flow positivity for the foreseeable future. Investors are cautioned that such forward-looking statements involve risk and uncertainties, which could cause actual results, performance or achievements of QSound, or industry results to differ materially from those reflected in the forward-looking statements. Such risks and uncertainties include, but are not limited to, risks associated with liquidity of the Company's shares, loss of relationships with companies that do business with QSound, successful distribution of QSound-enabled products by licensees, continued growth of demand for QSound's technologies in the mobile devices market, QSound's ability to carry out its cost containment, product development, business strategy and marketing plans, dependence on intellectual property, rapid technological change, competition, general economic and business conditions, and other risks detailed from time to time in QSound's periodic reports filed with the Securities and Exchange Commission. Forward-looking statements are based on the current expectations, projections and opinions of QSound's management, and QSound undertakes no obligation to publicly release the results of any revisions to such forward-looking statements which may be made, for example to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.*

**QSound Labs, Inc.**

Head Office & Technical Research Facility: #102, 2816 - 11th Street NE Calgary, Alberta, Canada T2E 7JS7

Tel: +1-403-291-2492 • Fax: +1-403-250-1521 • Email: [info@qsound.com](mailto:info@qsound.com)

**[www.qsound.com](http://www.qsound.com)**