



FOR IMMEDIATE RELEASE

SYNERGEX ANNOUNCES SECOND QUARTER RESULTS

Core business growth drives higher revenues and gross profit

Mississauga, Ontario (August 14, 2006) – Synergex Corporation (TSX: SYX) (“Synergex”), a leading provider of business services, today announced its results for the second quarter ended June 30, 2006.

Q2 2006 Highlights

- Sales revenue rose 28% to \$26.3 million
- Gross profit grew 43% to \$4.4 million or 16.6% of sales
- Net income doubled to \$0.8 million
- Earnings per share was \$0.01 (basic and fully diluted) compared to \$0.00 (basic and fully diluted) in the prior year quarter
- EBITDA rose 62% to \$1.3 million

“Our results this quarter were strong as we added new customers and expanded our range of services. While the second quarter is typically a seasonally low period, we continued to build our business and our profitability,” said David Aiello, President and CEO of Synergex. “We also invested in infrastructure and process improvements to support growth as we enter our peak season. Synergex is steadily building all its businesses while investing for long-term growth.”

Financial Results

Consolidated sales for the three months ended June 30, 2006, were \$26.3 million, an increase of 28.2% or \$5.8 million from \$20.5 million in the same period in 2005. Sales increased in the second quarter relative to the prior year primarily due to obtaining new customers, and providing them with a wider range of diversified products. Computer entertainment software sales, Synergex’ core revenue stream, continued to grow year over year. This continued software sales growth and increase in gross profit as a percentage of sales, has positively impacted overall gross profit. For the six-month period, consolidated sales were \$55.2 million a decrease of \$9.2 million or 14.3% from the \$64.4 million from the same period last year. The decrease was due to the timing of large launches of new products in the prior year period.

Consolidated gross profit percentage for the second quarter ended June 30, 2006, was 16.6% of sales, an increase from 14.9% of sales for the same period last year. Consolidated gross profit for the second quarter ended June 30, 2006 was \$4.4 million, an increase of \$1.3 million compared to \$3.1 million in the same period last year. Consolidated gross profit for the six-month period was \$8.6 million or 15.6% of sales, an increase of approximately \$1.0 million or 12.4% compared to \$7.7 million or 11.9% of sales in the previous year. The increase in gross profit

earned in both periods was due primarily to the product mix sold, economies of scale achieved in transportation and labour costs, and a favourable trend in international currency exchange rates.

Operating expenses for the three months ended June 30, 2006, including general and administrative expenses, sales expense, interest and bank charges, interest income, amortization expenses, employee termination costs and business combination costs, totaled approximately \$3.2 million, an increase of approximately \$0.7 million, or 30.0%, from \$2.5 million in the second quarter of the prior year. Operating expenses for the six-month period was approximately \$6.3 million, an increase of approximately \$1.0, or 11.9%, from \$5.3 million in the same period from the prior year. The increase in costs pertains primarily to the addition of resources including: programmers, sales staff and ancillary costs in 2006 to assist with the design and implementation of the new technology platforms.

Net income for the second quarter of 2006 was \$0.8 million or \$0.01 per share (basic and fully diluted) compared to a net income of approximately \$0.4 million or \$0.00 per share (basic and fully diluted) in the same quarter a year ago. Year to date, net income after taxes for 2006 was approximately \$1.5 million or approximately \$0.01 per share (basic and fully diluted) compared to \$1.4 million or approximately \$0.01 per share (basic and fully diluted) in the same period a year ago.

EBITDA* (earnings before interest, taxes, depreciation and amortization) for the second quarter was \$1.3 million compared to \$0.8 million for the same period last year. The increase was primarily due to higher sales at better margins. Year to date EBITDA for the first half of 2006 was \$2.6 million compared to \$2.7 million in the same period a year ago. The decrease was primarily due to the timing of large new product launches in the same period a year ago, partially offset by improved margins.

Synergex had a net cash position of approximately \$7.9 million as at June 30, 2006, compared to \$6.4 million as at December 31, 2005. Working capital as at June 30, 2006, was approximately \$12.3 million, compared to \$7.8 million as at June 30, 2005.

Year to date, Synergex generated \$2.6 million in cash from operations compared to \$1.3 million in the same quarter in the prior year.

Financial statements with notes and MD&A for the second quarter and the year are available online at www.sedar.com.

Conference Call and Webcast

Management will host a conference call to discuss second quarter results on Monday August 14, 2006, at 11 a.m. EST. To access the call, dial **416-644-3419** or **1-866-249-2157**. A recording of the call will be available as of 1 p.m. the same day until midnight August 21, 2006. To access the recording, dial **416-640-1917** or **1-877-289-8525**, followed by passcode **21199734#**. The conference call will also be available via webcast at www.syx.com.

About Synergex Corporation

Synergex Corporation is a leading provider of business solutions. Synergex applies its proven expertise in supply chain management and process automation to emerging opportunities with high growth potential. The Company has four workgroups: Synergex Commercial Gateway,

Synergex Technology, Synergex Digital Media, and Synergex Business Information, which provide value added depth in the areas of video game logistics and distribution, digital signage, point of sale solutions, Radio Frequency Identification, credit reporting and collection services. Headquartered in Mississauga, Ontario, Synergex serves a broad base of customers that includes a number of multinational enterprises. Synergex is listed on the Toronto Stock Exchange and trades under the symbol SYX. For further information, please visit www.syx.ca.

Forward Looking Statements

Some statements contained in this news release are forward-looking statements relating to Synergex' current expectations regarding future events. These forward-looking statements are based on our current expectations. We caution that all forward-looking information is inherently uncertain and actual results may differ materially from the assumptions, estimates or expectations reflected or contained in the forward-looking information, and that actual future performance will be affected by a number of factors, including economic conditions, technological change, regulatory change, and competitive factors, many of which are beyond our control. Therefore, future events and results may vary significantly from what we currently foresee. For more information on the Company's risks and uncertainties relating to these forward looking statements, please refer to the risk factors section of the Company's MD&A.

***Non-GAAP Measures**

References in these materials to "EBITDA" are to net income before interest expense, interest income, income taxes, loss (gain) on sale of equipment, and depreciation and amortization. EBITDA is not a recognized measure under Canadian GAAP. Investors are cautioned that EBITDA should not be construed as an alternative to net earnings or cash flows from operating activities (determined in accordance with GAAP) as a performance indicator, or to cash flows from operating, investing and financing activities as a measure of liquidity and cash flows. Synergex' method of calculating EBITDA may differ from other issuers and, accordingly, EBITDA may not be comparable to similar measures presented by other issuers. EBITDA performance is presented herein because management believes that, in addition to net income, EBITDA is a useful supplemental measure of Synergex' financial performance.

-30-

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