



**For Immediate Release**

## **SYNERGEX ANNOUNCES THIRD QUARTER RESULTS**

*Strong growth in revenue, gross margin and net income*

**Mississauga, Ontario (November 7, 2005)** – Synergex Corporation (TSXV: SYX) (“Synergex”), a leading provider of technology-based outsourcing services focused on optimizing customer business processes, today announced its results for the third quarter ended September 30, 2005.

### **Q3 2005 Highlights**

- Revenue of \$29.8 million an increase of 27.8 per cent from third quarter of 2004
- Gross margin increased 52.6 per cent, or \$1.4 million, to \$4.2 million compared to last year
- Net income increased to \$708,000 compared to net loss of \$172,000 in same period last year

“The third quarter demonstrated how our investments and improvements in infrastructure, supply-chain technology and information systems have positioned us to efficiently support more business volume and maintain our culture of innovation. We continue to successfully gain new clients while growing our ability to address their challenges and reduce their costs,” said David Aiello, President and CEO of Synergex. “We are pleased with our results for the quarter, particularly our net income and EBITDA, which have now surpassed our totals from last year, with our historically strongest quarter yet to come.”

During the third quarter, Synergex’ core Commercial Gateway workgroup signed a number of significant new contracts with video game publishers to fulfill their Canadian operational requirements. Exceptionally strong demand for creative services (digital art, printing and translation) has led the workgroup to expand capacity in this area. Planning is underway for expanded marketing and sales of new value-added logistics services.

The Technology workgroup signed an RFID (Radio Frequency Identification) implementation agreement with a major logistics company client, and has also completed a business development agreement to enhance RFID sales opportunities. The workgroup also made gains in designing and custom manufacturing TFT (Thin Film Transistor, also known as LCD) screens, delivering and installing a major system and developing large-format signage solutions.

The Business Information workgroup upgraded and rebranded Risk Manager, its comprehensive credit assessment product. A workgroup marketing program has been developed and is currently being tested.

### **Financial Results**

Revenue for the three months ended September 30, 2005, was \$29.8 million, an increase of 27.8 per cent, or \$6.5 million from \$23.3 million in the same period in 2004. Sales increased in the

third quarter due to the addition of new clients in all workgroups. For the nine months ended September 30, 2005, revenue was \$94.2 million, an increase of approximately \$33.7 million or 55.7 per cent, from the \$60.5 million in the same period last year.

Net income for the third quarter of 2005 was \$708,000 or less than \$0.01 per share (basic and fully diluted) compared to a loss of approximately \$172,000 in the same quarter a year ago. For the first nine months of 2005, net income was \$2.14 million or approximately \$0.02 per share (basic and fully diluted) compared to \$328,000 or less than \$0.01 per share (basic and fully diluted) in the same period last year.

Gross profit for the three months ended September 30, 2005, was \$4.2 million or 13.9 per cent of sales, an increase of \$1.4 million, or 52.6 per cent, from \$2.7 million in the same period last year when gross profit was 11.7 per cent of sales. For the nine months ended September 30, 2005, gross profit was \$12.1 million or 12.9 per cent of sales, an increase of \$4.1 million, or 50.8 per cent, compared to \$8.0 million and 13.3 per cent of sales for the same period last year.

Operating expenses for the three months ended September 30, 2005, including sales, general and administrative expenses, interest expense, amortization of equipment expense, amortization of a customer list expense, employee termination costs, and acquisition costs totaled approximately \$3.0 million, an increase of \$400,000 or 12.9 per cent from \$2.6 million in the same period last year. For the nine months ended September 30, 2005, operating expenses compared to the same period in 2004 increased by \$1.5 million, to a total of \$8.6 million as a result of acquisition costs incurred earlier this year and additional staff and space required to support increased business volume.

EBITDA (earnings before interest, taxes, depreciation and amortization) for third quarter was \$1.4 million, compared to \$550,000 in the same period last year, reflecting higher revenue and improved margins. For the first nine months of 2005, EBITDA was \$4.1 million compared to \$1.8 million in the same period a year ago.

Synergex had a net cash position of \$6.4 million as at September 30, 2005, compared to \$4.0 million as at December 31, 2004. Working capital as at September 30, 2005, totaled \$8.4 million compared to \$6.3 million as at December 31, 2004.

Financial statements with notes and MD&A for the third quarter are available online at [www.sedar.com](http://www.sedar.com)

### **Conference Call and Webcast**

Management will host a conference call to discuss third quarter results on Monday, November 7, 2005, at 11 a.m. ET. To access the call, dial 416-644-3414 or 1-800-814-4862. A recording of the call will be available as of 1 p.m. the same day until midnight November 15, 2005. To access the recording, dial 416-640-1917 or 1-877-289-8525, followed by passcode 21160821#. The conference call will also be available via webcast at [www.synergexcorp.com](http://www.synergexcorp.com).

### **About Synergex Corporation**

Synergex Corporation is a leading provider of technology-based outsourcing services focused on optimizing customer business processes. The Corporation is comprised of three integrated workgroups: 1) Synergex Commercial Gateway is the historical core business of the Corporation and delivers a diverse, value-added suite of supply chain management solutions for manufacturers and retailers, primarily in the computer entertainment sector; 2) Synergex

Technology designs, implements, and supports customer Information Technology infrastructures, including Radio Frequency Identification ("RFID") technology, provides technical staffing services, and the design and implementation of customized LCD system solutions for customers; and, 3) Synergex Business Information provides commercial credit risk evaluation and reporting, accounts receivable management, background checking, and paralegal services. Synergex serves a broad base of customers that includes a number of multinational enterprises. The Company is headquartered in Mississauga, Ontario, and currently employs approximately 140 people. For further information, please visit [www.synergexcorp.com](http://www.synergexcorp.com).

### **Forward Looking Statements**

Some statements contained in this Management's Discussion and Analysis 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.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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