

**SYNERGEX ANNOUNCES SECOND QUARTER RESULTS**

**Mississauga, Ontario (August 14, 2007)** – Synergex Corporation (TSX: SYX) (“Synergex”), a leading provider of diversified commercial services, today announced its financial results for the second quarter ended June 30, 2007.

**Q2 2007 Highlights**

- Consolidated revenue in the quarter was \$27.8 million
- Consolidated gross profit in the quarter was \$4.1 million
- Working capital exceeded \$10 million

“Industry conditions continued to be challenging during the second quarter, primarily attributed to software publishers delaying the launch of new release video game titles,” said David Aiello, President and CEO of Synergex. “The availability of next generation hardware platforms has been gradual in relation to consumer demands; resulting in a decline in our overall revenue and income. As next generation hardware becomes more readily available, we expect the retail market will be better positioned for new releases of video games, which we expect will result in the growth to both sales and profitability for the company. We further expect our continued strategy to capitalize on opportunities in emerging markets with high growth potential coupled with our investments in diversified products will positively impact future quarters.”

**Financial Results**

Consolidated sales for the three months ended June 30, 2007 were \$27.8 million, an increase from \$26.3 million in the same period in 2006. Consolidated sales for the six months ended June 30, 2007 were \$54.0 million compared to \$55.2 million in the same period in the prior year. Sales increased in the second quarter relative to the prior year primarily due to the Commercial Gateway workgroup experiencing slight increases in the sale of replenishment software titles. Sales with Synergex’ other division remain relatively flat lined compared to the same period last year.

Consolidated gross profit for the second quarter ended June 30, 2007 was \$4.1 million, compared to \$4.4 million for the same period last year. Consolidated gross profit for the six months ended June 30, 2007 was \$7.5 million, compared to \$8.6 million for the same period last year. The decrease was due to the product mix sold and the decrease of new release software sold in the quarter, based on the decision of the majority of software publishers to defer new releases on next generation platforms to future periods as the hardware is becoming more readily available.

Operating expenses for the three months ended June 30, 2007, including general and administrative expenses, sales expense, interest and bank charges, interest income, amortization of equipment, and amortization of a customer list was approximately \$3.6 million in the second quarter of 2007, compared to approximately \$3.1 million from the same period last year. Operating expenses for the six months ended June 30, 2007, including general and administrative expenses, sales expense, interest and bank charges,

interest income, amortization of equipment, and amortization of a customer list was approximately \$6.9 million, relative to the approximate \$6.0 million recorded in the same period in the prior year. The increase was primarily due to costs incurred to support expansion into international markets such as Latin America, product development in Synergex Technology, and increased ancillary costs to support the growth of the Canadian operations in the third and fourth quarters of 2006.

Net income for the second quarter of 2007 was approximately \$100,000 or \$0.00 earnings per share (basic and fully diluted) compared to a net income of approximately \$820,000 or \$0.01 earnings per share (basic and fully diluted) in the same quarter a year ago. Net income for the six months ended June 30, 2007 was approximately \$50,000 or \$0.00 earnings per share (basic and fully diluted) compared to a net income of approximately \$1.5 million or \$0.01 earnings per share (basic and fully diluted) in the same period a year ago. The decrease in net income is the result of the product mix sold in the Commercial Gateway workgroup as more hardware was sold in 2007 compared to 2006 and fewer units of software were sold, and the addition of further employees and ancillary costs to support the growth of the Canadian operations and expansion into Latin America in the fourth quarter of 2006.

EBITDA\* (earnings before interest expense, interest income, income taxes, depreciation and amortization) for the second quarter was approximately \$500,000 compared to \$1.3 million for the same period last year. Synergex had a net cash position of approximately \$100,000 as at June 30, 2007, compared to \$7.9 million for the same period last year. Working capital as at June 30, 2007, was approximately \$10.6 million, compared to \$12.3 million as at June 30, 2006, and \$11.5 million as at December 31, 2006.

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

### **Conference Call and Webcast**

To access the investor conference call, please dial 416-644-3431 or 1-800-588-4942. A live webcast of this call will be available in the Investor Relations section of the Company's website, [www.syx.ca](http://www.syx.ca).

A recording of the conference call will be available as of 1 p.m. EST the same day, until midnight August 21, 2007. To access the recording, dial 416-640-1917 or 1-877-289-8525, followed by the passcode 21243392#. An archived recording of the webcast will remain available on Synergex' website until the next quarterly financial results conference call.

### **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 three workgroups: Synergex Commercial Gateway, Synergex Technology, and Synergex Business Information, which provide value added depth in the areas of video game logistics and distribution, digital

signage, retail solutions at the point of sale, graphic design, translation services, Radio Frequency Identification, credit reporting and collection services.

Headquartered in Mississauga, Ontario, with operations across North, Central and South America, 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](http://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 earnings before interest expense, interest income, income taxes, 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.

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