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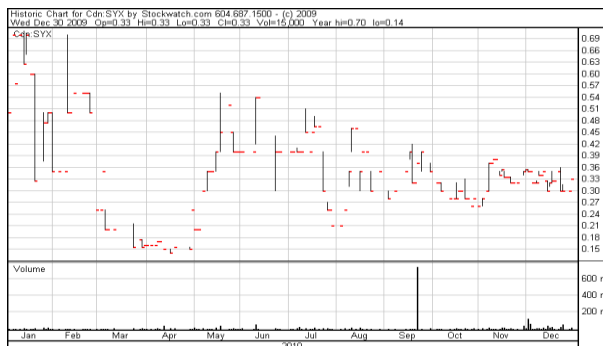
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INDEPENDENT RESEARCH



Synergex Corporation (SYX : TSX)

Date: January 1, 2010
Price: \$0.33



KEY INFORMATION

Fiscal Year-end	December 31
52-Week High/Low	\$0.70 - \$0.14
3-Month Avg. Daily Trading Volume	9,971 shares
Market Capitalization	\$7.3 million
Enterprise Value	\$20.2 million
Book Value per Share (Sep 30)	\$0.71
Current Ratio	1.3
Gross Margin	30%
LT Debt to 2009e CF	2.0
LT Debt to Equity	0.5
Price to 2008 Earnings	n/a
Price to 2009e Earnings	3.0

FINANCIAL DATA (000's of Canadian Dollars)

	3 Months Sep 30		9 Months Sep 30	
	2009	2008	2009	2008
Revenues	19,131	51,990	68,908	116,720
Net Income	770	367	1,514	360
per share	0.035	0.016	0.068	0.016
Cash Flow	1,171	1,360	2,606	4,723
per share	0.053	0.061	0.116	0.212

BALANCE SHEET (as at September 30, 2009)

Current Assets	\$ 39,215,826
Total Assets	54,187,766
Current Liabilities	30,338,896
Long-Term Debt	7,919,196
Shareholders' Equity	15,835,589

SHARES OUTSTANDING (as at September 30, 2009)

Basic	*22,262,455
Series A Preference	**5,546,219
Fully-Diluted	22,740,655

* management and insiders own approximately 76% of the company's issued and outstanding common shares.

** Preference shares redeemable at \$1.00 per share.

Highlights:

- continued growth opportunities from Latin American operations
- discontinuation of non-profitable operations in October 2008 has resulted in significant improvement to bottom line
- gross profit margin reached 42% during Q3/09
- trading at approximately 3 times earnings and at a significant discount to book value

COMPANY OVERVIEW

Synergex was incorporated in December 1996 and completed its IPO in March 2005. The company graduated from the TSX-V to the TSX Exchange in April 2006 and consolidated its shares on a 1 for 5 basis on Feb. 11, 2009.

Synergex is a premier international logistics company providing a value driven suite of supply chain management solutions such as distribution, freight forwarding, logistics, and creative services. These services include inbound inventory transfers, customs clearance, product receipt, product storage, order processing & electronic data interchange, pick & pack services, shipping, freight and appointment scheduling, transportation management, and returns management. Synergex overcomes the barriers that manufacturers face when attempting to penetrate new markets where regional packaging laws are present. The company has a team of professional translators, graphic designers, and commercial print operators to tailor its customers' products to be compliant with the local language requirements of target markets anywhere in the world.

The company also operates its Business Services division which specializes in the outsourcing of credit investigations, business information gathering and credit policy consulting. Synergex facilitates the credit application review process by providing the most up to date and factual information thereby eliminating credit application fraud and maximizing profitable sales.

Synergex is presently among the largest

distributors of video games, game consoles, and accessories in Canada. In addition, the company began its international expansion in 2006 by entering the Mexican market and opened facilities in Colombia, Brazil and Chile in 2007. In 2008, Synergex acquired operations in Argentina.

The corporation provides services to some of the leading video game developers in the world including Sony Computer Entertainment America, Activision, Inc., Electronic Arts Inc., Midway Games Inc., Square Enix, Inc., Atari, Inc., NC Interactive, Inc., and LucasArts - a Division of Lucasfilm Entertainment Company Ltd. In 2008, the corporation expanded its product offering to include other home entertainment products including home video by entering into distribution relationships with Gaiam, Inc., a world leader in health and wellness products, and World Wrestling Entertainment, Inc. Synergex currently services well known retail customers including Wal-Mart, Future shop, Best Buy, Sears, Blockbuster Entertainment, and EB Games.

FINANCIAL SUMMARY

Despite a substantial reduction in year-over-year sales caused mainly by the discontinuation of the company's lower-margin "Synergex Retail Services Inc." subsidiary in October 2008, the company has significantly improved its margins and profitability during 2009. Sales for the 9 months ended September 30, 2009 were \$68.9 million compared with \$116.7 million during the same period in 2008. At the same time, gross profit rose by 20% or \$3.5 million to \$20.9 million and net income improved to \$1.5 million or \$0.068 per share compared with \$360,000 or \$0.016 per share in 2008.

For the third quarter of 2009, Synergex reported a 63% decrease in revenues to \$19.1 million but a 17% increase in gross profit to \$8.1 million. Net income for the third quarter was \$800,000 or \$0.035 per share

compared with \$367,000 or \$0.016 per share for the same period in 2008. Gross margins during the third quarter reached 42% compared with 19% in 2008. Sales for the quarter were comprised of 58% logistics and distribution - Canada, 39% logistics and distribution - Latin America, and 3% business services.

RECENT DEVELOPMENTS

In July 2009, the company entered into an arrangement with Sony DADC Brazil to locally manufacture PlayStation console software for distribution by Synergex. This arrangement is expected to lead to significantly higher revenues for Synergex and a price decrease of about 30% to the South American consumer. In August 2009, Synergex expanded its freight forwarding businesses into Latin America by obtaining operating licenses in Mexico and Colombia.

On October 19, 2009, the company completed a private placement with several of its insiders, resulting in proceeds of \$85,000. Pursuant to the private placement, Synergex issued 242,859 common shares at a price of \$0.35 per share. In November 2009, Synergex completed a \$5 million revolving credit facility with Callidus Capital Corp. This financing will further enhance the company's working capital.

SUMMARY

Synergex has undergone a significant restructuring over the past 15 months which has resulted in improved corporate profitability and new growth initiatives in Latin America. The company had a record Q3 and its Latin American operations reached profitability for the first time which should add to the bottom line going forward. In addition, retail activity traditionally experiences its highest activity during the fourth quarter as demand peaks for computer entertainment consoles, accessories, and related software. The company is presently trading at just 3 times expected earnings for 2009 and at a significant discount to its book value of \$0.71 per share.

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