

# SYNERGX SYSTEMS INC.

## SYNERGX SYSTEMS INC. (NASDAQ SMALL CAP-SYNX) ANNOUNCES FIRST QUARTER RESULTS

SYOSSET, New York – February 12, 2004

Synergx Systems Inc. reported the following for its first quarter ended December 31, 2003:

	<u>THREE MONTHS</u>	
	<u>2003</u>	<u>2002</u>
Revenues	\$ 4,202,000	\$4,638,000
(Loss) Income Before Equity		
Investment and Taxes	(194,000)	52,000
(Loss) from Equity Investment	( 20,000)	
(Loss) Income Before Taxes	(214,000)	52,000
Net (Loss) Income	(126,000)	22,000
Basic (Loss) Earnings per share	(\$.03)	\$.01
Diluted (Loss) Earnings per share	(\$.03)	\$.01
Weighted Average Common and Potential Dilutive Common Share Equivalents Outstanding	4,166,103	3,930,489

The 9% decrease in revenues was primarily caused by a delay in securing approval from the New York City Transit Authority for production and shipment from our order position but which we expect to ship shortly.

Operating income in 2003 was impacted by the reduced revenues and associated gross profit due to the relative fixed nature of certain overhead costs. In addition, selling, general and administrative expenses increased (3%) to support higher product sales and from higher insurance costs during 2003. The Company noted that certain project engineers, technical, and sales staff have been added to support product expansion directed at increased revenue levels. For 2003, the Company also recorded a loss of \$20,000 on its equity in the operating loss of Secure 724 L.P.

Management believes that the positive trends experienced in fiscal 2003 will continue for the full 2004 fiscal year and beyond as Synergx better manages costs and extends its marketing programs to take advantage of product development and existing channels of distribution while broadening geographic penetration.

Management noted that at December 31, 2003 it had a near record order position of \$16.2 million compared to \$12.6 million at the end of December 2002; which reflects large new orders for subway complexes in New York City and reflects recent increased new orders in our Dallas, Texas market area.

Management also commented that the Company is continuing to evaluate acquisitions and/or investments and explore opportunities relating to its recent 25% investment and license relationship with Secure 724 L.P., including applications for commercial facilities and on-board transit communication.

Synergx is engaged in the design, manufacture, marketing and service of a variety of data communication products and systems with applications in the fire alarm, life safety, security and communication industries.

“Safe Harbor” statement under the Private Securities Reform Act of 1995: This release contains forward-looking statements, which reflect management’s current views of future events and operations. These forward-looking statements are based on assumptions and external factors, including assumptions relating to product pricing, competitive market conditions, financial data, and other risks or uncertainties detailed from time to time in the Company’s filings with the Securities and Exchange Commission. These forward-looking statements represent the Company’s judgment as of the date of this release and any changes in the assumptions of external factors could produce significantly different results.

Corporate Contact: John Poserina – Chief Financial Officer (516) 433-4700