

**SYNERGX SYSTEMS INC. (NASDAQ SMALL CAP-SYNX) ANNOUNCES THIRD QUARTER AND NINE MONTH RESULTS**

SYOSSET, New York - August 11, 2006

**Synergx Systems Inc. reported the following results for its third quarter and nine-month period ended June 30, 2006 and 2005:**

	<u>THREE MONTHS</u>		<u>NINE MONTHS</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues	\$3,931,000	\$4,295,000	\$11,370,000	\$12,512,000
(Loss)Income From Continuing Operations				
Before Equity Investment and Taxes	(130,000)	71,000	(481,000)	92,000
(Loss) from Equity Investment	(18,000)	(33,000)	(60,000)	(55,000)
(Loss) Income Before Taxes from				
Continuing operations	(148,000)	38,000	(541,000)	37,000
Net (Loss) Income from continuing operations	(98,000)	20,000	(328,000)	15,000
Net (Loss) Income from discontinued operation	(9,000)	35,000	(100,000)	(75,000)
Net (Loss) Income	(107,000)	55,000	(428,000)	(60,000)
Diluted Earnings (Loss) per Share				
Continuing Operations	(\$.02)	\$ .00	(\$.06)	\$ .00
Discontinued Operations	\$ .00	\$ .01	(\$.02)	(\$.01)
Net (loss) Income	(\$.02)	\$ .01	(\$.08)	(\$.01)
Weighted Average Common and Potential Dilutive Common Shares Outstanding	5,210,950	5,211,120	5,204,742	5,164,922

In May 2006, the Company's wholly owned subsidiary, General Sound (Texas) Company that operated in Dallas/Ft. Worth, Texas sold its inventory, property, trade name, business and operations and received cash proceeds from the buyer of \$518,000. These operations are shown as discontinued operations and the 2006 three and nine month periods are net of a \$267,000 gain on the sale of the assets. The prior year periods for continuing operations have been restated to reflect this sale.

The decrease in revenues during the three and nine month periods ended June 30, 2006 was primarily due to lower shipments of transit products which resulted from a lower level of new orders and the timing of releases on existing orders. During this fiscal year, the Company has overhauled the management, structure and marketing strategies for transit products and is continuing to actively bid on new orders and has quotations outstanding for several large projects that resulted directly from these initiatives.

The decline in income from continuing operations during the three and nine months ended June 30, 2006 was primarily due to the decrease in gross profit related to anticipated lower product revenues, which was partially offset by higher gross profit from service revenues. This improvement in service gross profit was attributed to higher revenue and a staff reduction.

The periods presented were further impacted by an increase in sales and marketing expenses in an effort to expand revenues and due to severance costs of \$120,000 and \$176,000, and significant recruitment costs of \$24,000 and \$97,000 during the three and nine months periods of 2006, respectively. For the three and nine month periods of fiscal

2006 the Company also recorded a loss of \$18,000 and \$60,000, respectively, on its equity in the operating loss of Secure 724 LP.

Management noted that after selling the Texas operation and radically retooling the New York operation by changing most department managers, entirely replacing management information systems, overhauling its methods and strategies in sales and marketing and project management, the Company can now focus aggressively on marketing its products and services. In addition, the Company is considering various acquisition opportunities that would enable it to accelerate its marketing programs.

Management further noted that it had reduced its bank debt from the proceeds of the sale of General Sound's assets and at June 30, 2006 had only \$909,000 outstanding under its \$3.0 million credit facility, had over \$5.2 million of working capital and approximately \$6.4 million of stockholders' equity (book value of \$1.23 per share of common stock).

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. For further information about Synergx please go to our website at [WWW.SYNERGXSYSTEMS.COM](http://WWW.SYNERGXSYSTEMS.COM)

“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.

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