

TECSYS INC.

2009 FIRST QUARTER RESULTS

FINANCIAL ANALYSTS CALL – SEPTEMBER 9, 2008

INTRODUCTIONS:

Good afternoon, ladies and gentlemen! Welcome to our presentation. I am here with Berty Ho, our Chief Financial Officer.

In our presentation, we will announce the results for the first quarter of fiscal year 2009. We will also cover some of the key business highlights during the quarter. At the end of the presentation, we will open it up for questions.

Please take note that all dollar amounts are now expressed in Canadian currency and are reported in accordance with Canadian GAAP. We have decided that as of the beginning of this fiscal year to report in Canadian currency instead of the US currency we have been using in the past.

Some of the statements in this conference call relate to matters that are not historical fact, but which are forward looking statements that are based on management's beliefs and assumptions. Such statements are not guarantees of future performance and are subject to a number of uncertainties, including but not limited to future economic conditions, and other factors beyond the control of TECSYS Inc., which could cause actual results to differ materially from such statements.

Overview:

With eleven go-lives and five new accounts, Q1 reflects strong revenue growth and improved operating and net earnings. While continuing to focus on business development in the healthcare and high-volume distribution sectors, the quarter saw us break further into the industrial gas and supplies vertical market, with a major new customer in the US and the strategic go-live of a showcase account which is key to our market development initiative in this vertical. I am pleased with these positive accomplishments.

Allow me to go through the financial highlights of the quarter:

Revenue for first quarter of fiscal year 2009 reached \$10.2 million, 23% higher than the first quarter of fiscal 2008; product revenue increased by 54% to \$4.5 million in Q1, 2009 from \$2.9 million for Q1, 2008. Services revenue increased 6% to \$5.6 million in Q1 of this fiscal year from \$5.2 million in Q1 of last fiscal year.

Gross margin was 39% for Q1, 2009 compared to 44% in Q1 of last fiscal year. Total gross margin was impacted by the heavier contribution of third party products to our product revenue mix.

Earnings from operations for Q1, 2009 were \$266K compared to \$148K for Q1 of last fiscal year. EBITDA for the first quarter, 2009 increased to \$656K compared to \$313K in Q1 for last fiscal year. After accounting for an interest expense of \$5K and a foreign exchange gain of \$12K, net earnings for the first quarter, 2009 were \$274K or two cents per share compared to \$77K or one cent per share for Q1 of last fiscal year.

With our continued positive performance, the Board of Directors declared a two cents/share dividend, to be paid on October 7, 2008 to shareholders of record on September 23, 2008.

Now turning to some of our business highlights:

During the quarter we have signed a number of agreements with existing clients, we also improved our recurring revenue and won five new accounts, these include:

- A loyalty-programs company in Canada
- A major industrial gas and welding supplies distributor in the US

- An import-to-retail distributor in Canada
- An industrial distributor in Ohio
- A marine and industrial supplies distributor in Ontario

Key highlight of the quarter was the signing of a major industrial gas and supplies distributor in the US days after they have visited our showcase account in Missouri. With twelve branches and a capacity of 70,000 gas cylinders, this company is one of the top distributors of welding, safety and industrial products and supplies in the east central part of the US. The Company has evolved over the years through organic growth and a series of acquisitions to become one of the largest distributors in the region. As with other customers in this sector, this distributor will use our distribution management system to significantly increase efficiency and gain visibility into their logistics operations, and as a result improve customer service.

Allow me to comment on the market opportunity in the industrial gas and supplies industry:

Distributors in this industry provide high-volume industrial gas and related supplies and services to the industrial, bio-tech and high-tech markets across the U.S., Mexico and Canada. The supply chain management technology available to this industry has been very limited. Some distributors have resorted to developing their own solution but the majority have been using legacy systems running on outdated technology.

Clearly this industry has been under-served! As we strategically focused on this vertical, we have differentiated our offering with our distribution expertise, Java technology and industry-specific applications that are now serving this industry's business model. As a result, we have captured an estimated 4% market share in less than two years since entering this vertical. There are about 150 industrial gas and welding distributors in North America that are in our targeted size range, the industry is at the infancy adoption stage of new technology. With our offering becoming the industry standard, we believe we can be in a leading market position in this industry. I look forward to our continued success in this sector.

To update you on our initiatives in healthcare. We continued to pursue significant players in the hospital supply network markets as well as in specialty drug distribution in Canada and US. At the same time, we continued to work on expanding our footprint in our existing customer base to improve our recurring revenue stream. From a services perspective in healthcare, we are in the process of deploying six major projects in the next few months for both hospital supply chain and specialty drug distribution customers in Canada and the US.

In our other general distribution and logistics market segments, including heavy equipment dealers, industrial distribution, import-to-retail and general high-volume distribution, we continued to gain ground. During the quarter we have signed a loyalty-programs' company in Canada. Customer loyalty involves collecting data and issuing rewards. The company designs, delivers and manages a suite of loyalty marketing programs for more than 100 brands in North America. In essence, a distribution-centric operation where they will utilize our supply chain execution system to improve their logistics efficiency and deliver their fulfillment services.

Furthermore, our import-to-retail and industrial distribution businesses contributed to our growth, winning three accounts and expanding their footprint in existing accounts during the quarter. I am pleased with these contributions.

In summary:

- Revenue continued to grow
- Expenses are within our expectations
- Operating and net earnings have improved
- Backlog at the end of Q1, 2009 was \$19M
- Our sales pipeline continues to be strong

That concludes our presentation. Thank you for your attention, we will now open it up for questions.