



31 August 2009

ELS015.2010

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement**OVERVIEW OF FINANCIAL RESULTS**

Synergy Equities Group Limited (“the Company”, ASX : SYG) refers to its Preliminary Final Report (Appendix 4E) for the year ending 30 June 2009 released to ASX earlier today. For the benefit of Shareholders and the market, the Directors make the following comments.

Operating Performance

The Company’s goal of being revenue neutral was not achieved over the 2008 / 2009 financial year. The Board considers this to be a direct result of the global financial crisis, and does not reflect on the Company’s products & services or marketing strategies. The Company maintains an intense focus on the sales and marketing of Data-inCrypt® SMX secure registered email and remains confident that its goal will be achieved by becoming a powerhouse and market leader in secure email throughout the Far East / Asia Pacific region.

Operating Loss

The Company’s financial results for the financial year ended 30 June 2009, when compared to the financial year ended 30 June 2008, are disappointing.

Shareholders should note that the operating loss includes a non-cash expense of \$497,003 inserted as a result of the technical requirements of the applicable Australian Accounting Standards in valuing unlisted employee / consultant incentive options issued to Directors, staff and consultants, as approved by Shareholders.

As noted by the Company during the year (the ASX announcement of 13 Mar 09 refers), in view of the current global financial situation:

- 1) the marketing of the Company's SMX secure registered email product (through its wholly owned subsidiary Data-inCrypt[®] Pty Ltd) is likely to take longer than previously forecast (simply as a result of apparent restrictions on IT expenditure by major Australian corporations with whom the Company has been negotiating); and
- 2) the level of transactional income receivable by the Company from sales of existing products (by the Company's wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd) is likely to decrease. The full level of the anticipated decrease cannot accurately be estimated at this point in time.

In order to deal with the matters identified above, the Board took steps to reduce operational costs as follows:

- in mid 2008 the Board started taking steps to significantly reduce overhead costs commencing with the disbanding of the sales team and absorbing of the sales function by the Executive Directors;
- in late 2008, the Executive Directors agreed to a voluntary 33% reduction in salary until such time as financial conditions sufficiently improve and as well to forgo Directors' fees;
- a number of staff have been made redundant by the Company;
- remaining staff have agreed to take a 20% reduction in salary until such time as financial conditions sufficiently improve;
- the Company's consultants have agreed to defer fees until such time as financial conditions sufficiently improve; and
- a review of the Company's telecommunications requirements (incurred through its wholly owned subsidiary Synergy Business Solutions Australia Pty Ltd) resulted in a cost saving of \$50,000 (ex GST) per annum as from April 2009 (the ASX announcement of 05 March 2009 refers).

The Company is not isolated from the current global financial situation. Nevertheless it is confident in moving forward with its products, staff and commitment.

Residual Mining Assets

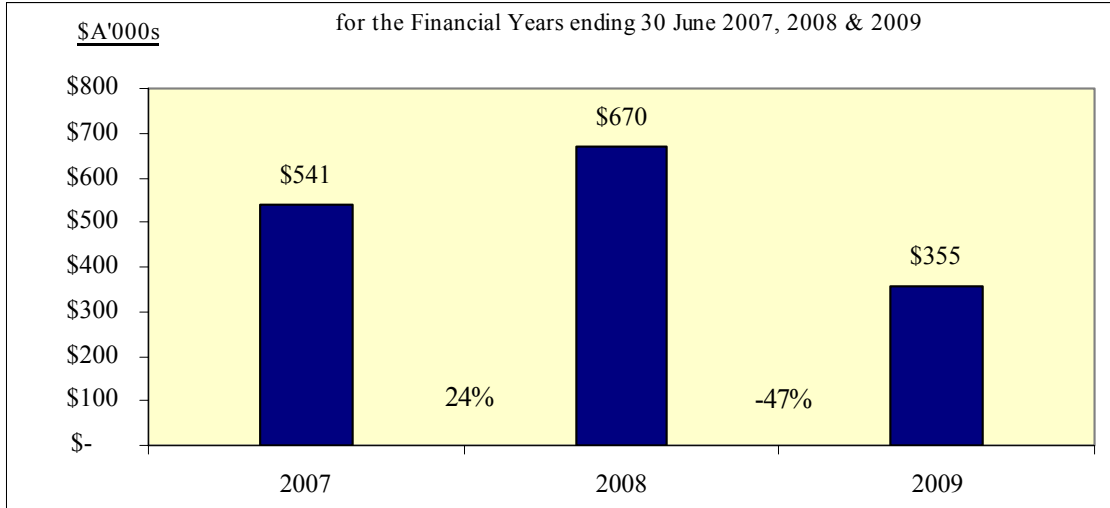
As part of the Company's Deed of Settlement on 12 April 2005 with Mr Morellini, the Company is still to receive the equivalent of \$250,000 in shares in Meridian Mining Limited prior to its listing on the ASX. As reported to ASX on 31 Oct 07, the Company has no clear assessment as to when or if the Meridian IPO prospectus will continue, and as such continues to monitor its legal options to ensure shareholder interests are fully protected.

Comparison with Previous Financial Year's Results (ended 30 June 2009)

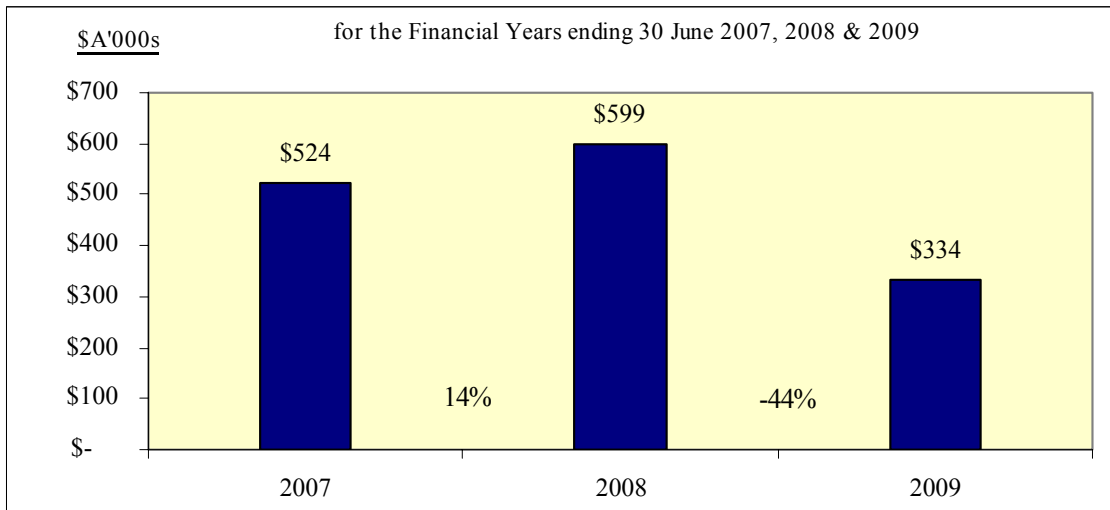
- 1) revenues from ordinary activities (net consolidated income including asset sales) decreased by 47%;
 - 2) operating (technology) sales revenue decreased by 44%;
 - 3) net consolidated costs increased by 29%;
 - 4) administrative costs increased by 24%; and
 - 5) staff costs (exclude share-based payments) decreased by 11%.
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.....the following graphs illustrate the Company's comparative results for the past three years:

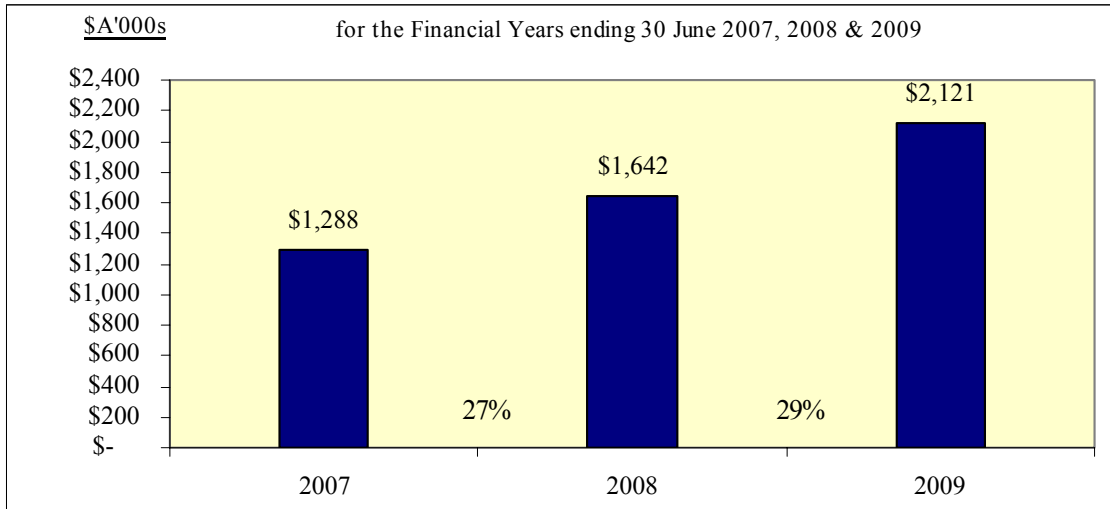
Graph 1
Revenues from Ordinary Activities (Net Consolidated Income)



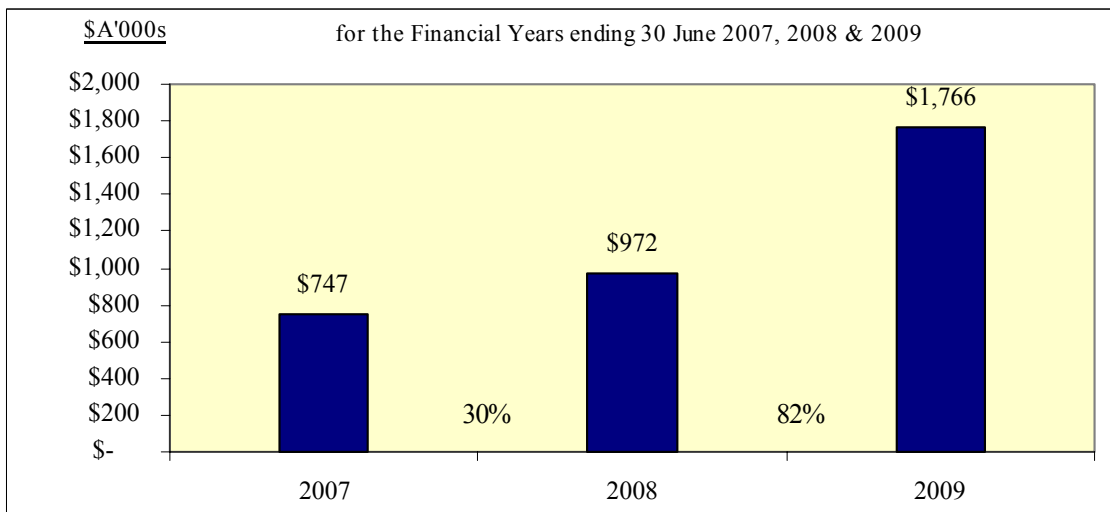
Graph 2
Operating (Technology) Sales Revenue



Graph 3
Net Consolidated Costs



Graph 4
Net Consolidated Loss



Yours faithfully

Mark Popham
Company Secretary & CFO
SYNERGY EQUITIES GROUP LIMITED