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## **IBEX REPORTS ITS FISCAL 2010 RESULTS**

**MONTREAL, Quebec, October 27, 2010** – IBEX Technologies Inc. (TSX Venture: IBT), today reported its financial results for the year ended July 31, 2010.

### **FINANCIAL RESULTS FOR THE FISCAL YEAR**

“ As expected, the Company strengthened its balance sheet during Fiscal 2010, while sales and profits decreased due to changes in currency and a tough US economy which affected some of our major customers' ordering patterns” said Paul Baehr, IBEX President and CEO. “We expect the weak business environment in our respective markets to continue in Fiscal 2011 before recovering in Fiscal 2012”, said Baehr.

Our total cash, cash equivalents, and marketable securities improved 34% over the year to \$3,033,556 from \$2,260,344. Working capital improved to \$3,287,875 as at July 31, 2010 from \$2,881,146 as at July 31, 2009.

Sales for the year ended July 31, 2010 were \$2,628,746 compared to \$3,544,282 for the same period in the prior year, representing a decrease of 26%. The net decrease of \$915,536 in sales vs. year ago was mainly due to changes in currency, (\$586,105) and to a downturn in volume (\$329,432) stemming from a reduction in orders from one of our major customers who apparently has an excess inventory due to reduced sales in the US hospital market.

Expenses for the year ended July 31, 2010 decreased \$78,160 (4%) to \$2,122,384. Expenses did not decline in proportion to sales due to the fixed cost nature of the IBEX business.

Net earnings for the year ended July 31, 2010 were \$506,362, compared to net earnings of \$1,343,738, for the previous fiscal year. It is worth mentioning that, Fiscal 2009 was an unusual year, benefitting from a high US dollar, profits from our successful currency hedging program (\$386,534) along with strong sales, a combination of events which was not forecasted to repeat in Fiscal 2010).



## Financial Summary for the year ending:

	July 31, 2010	July 31, 2009
Revenues	\$2,628,746	\$3,544,282
Earning Before Interests, Tax, Depreciation & Amortization	\$624,367	\$1,409,367
Depreciation & Amortization	\$131,161	\$83,810
Net Earnings	\$506,362	\$1,343,738
Net Earnings per Share	\$0.02	\$0.05
Cash, Cash Equivalents & Marketable Securities	\$3,033,556	\$2,260,344
Working Capital	\$3,278,875	\$2,881,146
Outstanding shares at report date (Common Shares)	24,703,244	24,703,244

## FINANCIAL RESULTS FOR THE FOURTH QUARTER

Cash, cash equivalents, and marketable securities increased 2% during the quarter to \$3,033,556. The Company's working capital decreased 6% during the quarter to \$3,278,875 (down from \$3,482,086 as at the end of the prior quarter ending April 30, 2010) due to accrued expenses (which increased the current liabilities) and impact of lower sales (which reduced receivables).

Sales for the quarter ended July 31, 2010 totaled \$641,550, a decrease of 26% as compared to \$863,691 in the same period year ago. Excluding the currency impacts, enzymes sales increased 26% versus the previous quarter but have decreased 13% versus the same quarter year ago. Sales of arthritis assays were equal to last year's same quarter, although down 24% vs. the previous quarter.

Expenses excluding the foreign exchange gain, write-off and gain on asset disposal, as compared to year ago, increased to \$736,115 from \$543,678 in the same quarter a year ago. The increase in expenses is due to several factors such as a non-cash entry related to the grant of stock options, higher amortization expense, higher inventory allocation and expenses related to new R&D projects. Included in the Q4 expenses was a reversal of a reserve the Company had taken some years ago in connection with a disposal of assets.

Net loss for the quarter ended July 31, 2010 was \$128,436, compared to net earnings of \$474,632, for the fourth quarter of fiscal year 2009.

Despite lower sales and the weakness of the US dollar, the decrease in reported net earnings for the fourth quarter of Fiscal 2010 when compared to the same period a year ago, is largely attributable to a non-cash calculation related to granted stock options (\$51,052) and a higher inventory allocation cost (\$100,963) as well as higher amortization expenses (\$37,534) due to the purchases of equipment and to the commencement of new R&D projects (\$42,367).



## LOOKING FORWARD

Fiscal 2011 looks to be a difficult year for IBEX's major US customers, and therefore for IBEX. Additionally, the Canadian dollar is forecast to remain strong against the US dollar, which does not work in our favour. We therefore do not expect to have positive net earnings in Fiscal 2011, but expect to return to profitability in Fiscal 2012, as the US economy improves.

Despite difficult outlook for Fiscal 2011 we will continue to invest in the future. IBEX will add additional manufacturing capacity, and will continue with the development of our improved immuno-assays, which are scheduled for introduction in calendar 2011, with benefits accruing in Fiscal 2012.

## ABOUT IBEX

The Company manufactures and markets a series of proprietary enzymes (heparinases and chondroitinases). These enzymes are used in pharmaceutical research, quality assurance, and in the case of Heparinase I, in diagnostic devices which measure hemostasis in patients.

IBEX also manufactures and markets a series of arthritis assays which are widely used in pharmaceutical research. These assays enable the measurement of both the *synthesis* and *degradation* of cartilage components, and are powerful tools in the study of osteo- and rheumatoid arthritis.

For more information, please visit the Company's web site at [www.ibex.ca](http://www.ibex.ca).

**The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release**

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### Safe Harbor Statement

*All of the statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, are forward-looking statements. Such statements, based as they are on the current expectations of management, inherently involve numerous risks and uncertainties, known and unknown. Some examples of known risks are: the impact of general economic conditions, general conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which IBEX does business, stock market volatility, fluctuations in costs, and changes to the competitive environment due to consolidation or otherwise. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. IBEX disclaims any intention or obligation to update these statements.*

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