

## SERENIC REPORTS EXCELLENT RESULTS FOR SECOND QUARTER, 2010

Edmonton, Alberta, Canada (Oct 29, 2009) – Serenic Corporation (the “Company” or “Serenic”) (TSX-V:SER), an international software developer specializing in integrated financial management and HCM solutions for Non-Profit organizations, government agencies, and Microsoft Dynamics NAV users, is pleased to announce its financial results for the three and six months ended August 31, 2009.

Financial results are summarized as follows:

Statement of Operations Information	(Unaudited) Three months ended			(Unaudited) Six months ended:		
	Aug 31, 2009	Aug 31, 2008	%	Aug 31, 2009	Aug 31, 2008	%
	\$	\$		\$	\$	
Revenue	2,957,815	2,398,524	23.3	5,704,192	4,371,837	30.5
Income (loss) for the period	412,577	(80,025)	615.6	297,876	(630,868)	147.2
Basic income (loss) per share	0.03	(0.01)	400.0	0.02	(0.04)	150.0
EBITDA <sup>(1)</sup>	530,835	69,667	661.8	568,547	(338,870)	267.7
EBITDA as a % of revenue	17.9%	2.9%	517.2	13.0%	(7.7)%	268.8
Diluted income (loss) per share	0.03	(0.01)		0.02	(0.04)	
Weighted average common shares outstanding (basic)	# 15,185,458	# 15,185,458		# 15,185,458	# 15,181,349	

- EBITDA represents earnings before interest, taxes, depreciation, amortization, and stock based compensation. Please review the Serenic Management Discussion and Analysis for the quarter ended August 31, 2009 for more information.

### FINANCIAL HIGHLIGHTS

- Revenue for the quarter increased by 23.3% to total \$2,957,815, up from \$2,398,524 recorded in the comparable period last year. Factors responsible for this change were software license sales of \$1,299,061, up 17.2% over Q2 last year; client services revenue of \$859,537, up 40.0% from Q2 last year; and recurring maintenance and other revenue of \$799,217 up 18.2% from Q2 last year.
- Gross profit increased by \$312,036 or 17.0% over Q2 of the prior year, while the gross margin percentage as a function of revenue declined marginally to 72.6%, from 76.6% in the prior year.
- Expenses in Q2 decreased overall by 12.3%, down by \$246,353 to \$1,757,324, from \$2,003,677 as recorded in Q2 last year. Despite a foreign exchange rate higher than in Q2 of last year, which inflated a significant portion of the Company’s expenses that were transacted in U.S. dollars, overall expenses declined due to measures taken by management during the past two quarters to streamline operations.
- Development costs of \$156,727 were invested during the quarter into the Company’s flagship product, [Navigator](#). The Company has been working closely with Microsoft in a unique program in which the latest Microsoft technologies for its Dynamics NAV product are being learned and adopted into Serenic Navigator. These will provide future capability for Serenic’s solutions to be optimized utilizing thin client technology and to provide a unique and highly effective user interface which seamlessly integrates with Microsoft Office.
- Net income for the quarter improved dramatically to \$412,577 from a loss of \$80,025 in Q2 of last year. The increase in revenue and gross profit and close control of expenses generated the net income. In the prior year, the Company had invested in increasing its capabilities for an expected increase in revenues, which failed to materialize.
- Commensurate with higher revenue, gross profit and lower costs, EBITDA improved significantly to \$530,835 or 17.9% of revenue as compared to \$69,667 or 2.9% of revenue in Q2 of the prior year.
- The combination of increased revenues and gross margin and the reduction in expenses generated net income of \$412,577 in the current quarter, an improvement of \$492,602 over the small net loss recorded in the same period last year. The net income of the current quarter has generated year-to-date net income of \$297,876, rendering the Company profitable after two quarters and \$928,744 ahead of the year to date loss of \$630,868 reported at this time last year. In concert with these results, EBITDA has also been positively impacted, having increased to \$568,547 as measured on a year to date basis.

- Revenue for the past four quarters has increased by 22%, 30%, 39% and 23% over their comparable periods in the prior year, which is most encouraging, considering the challenges presented by the current US and international economies in which the Company conducts business.

Please refer to the financial statements and Management Discussion and Analysis for the quarter ended August 31, 2009 filed at [www.sedar.com](http://www.sedar.com) for more detailed information.

## QUARTER REVIEW

Serenic is pleased with its excellent performance during the quarter. Revenue growth occurred in each of the Company's revenue streams of software licenses, client services and consulting and maintenance contracts. Of particular significance, software licenses sales increased by 17.2% to \$1,299,061 with several noteworthy sales to new customers being recorded in Q2, including IUCN, the world's oldest and largest global environmental network with more than 1,000 member affiliates and 11,000 volunteer scientists in 160 countries, several Native American tribes, a museum, and numerous other sales in the American and international markets. These sales to new customers are particularly rewarding, as they are foundational for continued growth of future recurring revenue, from both consulting and maintenance revenue streams.

In our previous MD&A for the quarter ended May 31 2010, the Company reported that in the prior two quarters it had optimized staffing levels, reduced travel, marketing, and corporate expenses wherever possible, and reduced its overall committed expenditure levels. These cost control initiatives continued in the most recent quarter just ended, which resulted in lower costs being incurred than in the comparable quarter of the past year. This occurred despite the negative impact of an unfavourable exchange rate in the current quarter which served to inflate the U.S. dollar based transactions which form the major portion of the Company's expenses. Investments in marketing initiatives of prior quarters, particularly those regarding sales lead generation and website improvement, are continuing to benefit the Company today, and only few additional costs are required to exploit these programs today.

During the quarter, Serenic continued to invest in the development of its new version of its flagship Navigator software application. Working closely with the Microsoft Dynamics NAV development team, Serenic has incorporated the latest Microsoft technological improvements into its latest release of Navigator. Serenic was again recognized in the quarter by Microsoft for achieving a high level of sales and business performance, while maintaining a constant dedication to customer satisfaction and innovation. The Company was named [Microsoft's Dynamics ISV of the Year for the United States](#); nominated to the [President's Club for 2009](#), and again appointed to [Microsoft's Inner Circle](#), an elite group of global partners whose achievements rank them at the top echelon of the Microsoft global network of partners.

## OUTLOOK

Management continues to be vigilant of the current global economies, and intends to maintain its cautious and prudent operational strategies through Fiscal 2010. Marketing and other discretionary expenditures will likely be increased over the next few quarters as necessary to market the Company's software and services, to continue to grow the sales pipeline, and to pursue new business opportunities both internationally and within North America. Administrative spending will need to be increased during the next few quarters to prepare to convert accounting procedures to International Financial Reporting Standards, as will be required for all Canadian publicly traded companies in 2011. The Company will also continue to invest as required to conclude the development of its new software versions and prepare them for general release.

Since September 2008 when the global economy first entered into its current malaise, management has been and will continue to be mindful that the Company's clients might encounter funding challenges that could prevent them from purchasing Serenic's products and services. And, while this has not manifested itself substantially across all markets which Serenic serves, certain customers and prospects have had to suspend or altogether discontinue projects with the Company. Management intends to closely monitor this situation and to take appropriate actions to mitigate any negative impact if and when such actions are warranted.

Serenic's current and prospective customers continue to proceed cautiously. However, through aggressive prospecting and relationship building, the Company continues to successfully attract new clients and build its pipeline of prospective clients. Our revenue streams of consulting and maintenance contracts continue to grow, although the growth of the consulting revenue is not expected to continue as aggressively as it has during the past two quarters, as the Company's services teams use of outside suppliers have essentially caught up with the pent up demand for services, and new direct license sales have not created demand for services beyond what the consulting team can normally accommodate.

With respect to corporate development, management will continue to seek out partnerships with other organizations to better leverage opportunities in current markets and/or to engage in new markets. As well, investigation of accretive merger and acquisition opportunities and other potential scenarios that might serve long term objectives will continue to be pursued.

Management and staff are highly enthused about the imminent release of the new Navigator products. The Company's first beta client using the new version has reported very favorably on its positive impact to their organization. The new

applications are now being demonstrated to prospective new clients and general release to market of the new Navigator product is expected to occur in Q3 of this fiscal year. The new version of Navigator provides two major benefits for customers: (a) a significantly improved user experience that uses a "Role Tailored Client" (i.e., capability for each user to utilize a customizable interface incorporating only the tasks the user requires on-screen), with seamless integration to Microsoft Office programs; and (b) the capability of web-based interaction by users utilizing "thin-client" architecture. This renders Navigator more accessible through a web browser, thereby enhancing accessibility, availability, and performance. These features are highly beneficial and sought after by organizations who typically consider Serenic's products. We do not believe any of the Company's legacy competitors currently offer similar capabilities, particularly when combined with seamless integration to Microsoft Office products, and unique international applicability features such as multi language and multi currency functionality.

The results of the past four quarters have been very favorable for the Company, particularly considering the challenging times. Armed with this success, a strong cash position, and exciting new products, we are optimistic that Serenic will continue to make significant progress to enhance its position as a strong global contender in its markets.

## **About Serenic Corporation**

[Serenic Corporation](#) publishes mission-critical software products for not-for-profits (NFP), educational institutions and governments. The Company's products are based on leading application and technology platforms from Microsoft, including Dynamics NAV, SQL Server, and .NET, and are distributed in North America and internationally through value-added resellers and a direct sales organization. Serenic Corporation is the exclusive developer of [human resource management and payroll products for Microsoft Dynamics NAV](#) ERP users in North America. Serenic was named the "ISV (Industry Solutions Vendor) Partner of the Year" by Microsoft for 2009 and is a member of Microsoft's President Club and Inner Circle, the latter being an elite group of sixty-seven members representing the top 1% of Microsoft partners world-wide. Serenic has offices in Edmonton, Alberta and Denver, Colorado and staff located throughout the USA.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

By: "Dwayne Kushniruk"  
Chairman

**SERENIC CORPORATION**

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## **Forward Looking Statements**

Certain statements contained in this press release, including statements which may contain words such as "could", "should", "expect", "anticipate", "believe", "will", and similar expressions and statements relating to matters that are not historical facts, are forward looking statements. Such forward looking statements involve known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Serenic Corporation to be materially different from any future results, performances or achievements expressed or implied by such forward looking statements. Such factors include, but are not limited to, software industry risks, general business risks, foreign currency risks, economic dependence risks, and credit risks.

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