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News Release

FOR IMMEDIATE RELEASE **Ref. # NRE2016-06**

CORRECTION FROM SOURCE/TECSYS Reports Record Revenue and Earnings for Fiscal 2016, Declares 20% Dividend Increase

Montreal, July 6, 2016 –

This document corrects and replaces the press release that was sent today, July 6, at 5:15 PM EDT. The error occurred in the Fourth Quarter 2016 Results Conference Call section where it should have read:

Fourth Quarter 2016 Results Conference Call

Subject: Q4 and FY2016 Results Conference Call

Date: July 7, 2016

Time: 8:30 a.m. ET

Phone number: 800-670-9648 or 416-981-9091

The call can be replayed by calling 800-558-5253 (access code: 21814343) or 416-626-4100 (access code: 21814343).

TECSYS Inc. (TSX: TCS) an industry-leading supply chain management software company, today announced its results for the fourth quarter and fiscal year 2016, ended April 30, 2016. All dollar amounts are expressed in Canadian currency and are prepared in accordance with International Financial Reporting Standards (IFRS).

Fourth Quarter Highlights:

- Total revenue for Q4 2016 increased to $21.1M, higher by $5.4M or 34%, compared to $15.8M in Q4 2015.
- Proprietary products revenue increased to $5.9M, higher by $2.1M or 53%, in Q4 2016 in comparison to $3.9M for the same period last year.
- Services revenue increased to $11.5M, higher by $2.4M or 26%, in Q4 2016 compared to $9.1M in Q4 2015.
- Total gross margin in Q4 2016 improved to 55% compared to 49% in Q4 2015.
- Operating expenses for Q4 2016 increased to $8.5M, higher by $1.0M or 13%, compared to $7.5M for the same three-month period last year.
- Profit from operations of $3.2M representing 15% of revenue in Q4 2016 in comparison to $311K representing 2% of revenue for the same period in fiscal 2015.
- EBITDA grew to $3.8M in Q4 2016 compared to $955K in Q4 2015.
- Net profit was $3.8M or $0.31 per share in the Q4 2016 compared to $295K or $0.02 per share for Q4 2015.

- Total contract value bookings amounted to $13.1M in Q4 2016 in comparison to $16.0M for Q4 2015.
- Backlog was $44.6M at the end of Q4 2016 compared to $44.9M at the end of Q4 2015.
- Cash and cash equivalents totaled $9.7M at the end of Q4 2016 compared to $10.8M at the end of Q4 2015. Long term debt was reduced by $1.4M during fiscal 2016.
- Introduced OneSprint, a cloud-based Warehouse Management System (WMS) targeted for quick deployment and expected to enhance sales generated through partner channels.

“Fiscal 2016 was a very successful year for us, achieving both top and bottom line growth,” said Peter Brereton, President and CEO of TECSYS Inc. “We won several significant contracts in both the healthcare and complex distribution segments of our business, controlled our operating expenses and achieved key advances in our technology and service offering that will drive further growth.”

“As a result of this success and with a positive outlook on our future, the Board of Directors has authorized a 20% increase in the quarterly dividend to $0.03 per share, beginning this August,” he added.

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Fiscal 2016 Highlights:

- Revenue increased by 18% to $67.5M from $57.3M in fiscal 2015.
- Gross Profit of $34.8M, a 26% increase from $27.6M in the previous year.
- Recurring revenue of $25M or 37% of fiscal 2016 revenue, compared to $21.3M at the end of fiscal 2015 or 37% of revenue of fiscal 2015.
- Profit from operations of $4.5M representing 7% of revenue in fiscal 2016 in comparison to $1.9M representing 3% of revenue in fiscal 2015.
- Net profit of $4.8M or $0.39 per share in fiscal 2016 compared to $1.5M or $0.13 per share in fiscal 2015.
- EBITDA increased by 63% to $7.2M from $4.4M in fiscal 2015.
- Signed five new healthcare systems or Integrated Distribution Networks (IDN).
- Subsequent to quarter-end, the Company's Board of Directors approved a 20% increase of the quarterly dividend policy from $0.025 per share to $0.03 per share, the first to be paid on August 4, 2016 to shareholders of record on July 21, 2016.

"Looking to fiscal 2017, we are well-positioned for further success," stated Mr. Brereton. "We will continue to benefit from our leadership position in healthcare SCM to add new customers and deepen our relationship with existing customers. In addition, we are confident that our dedicated complex distribution sales team will continue to drive contract wins in that segment adding to our broader market penetration. We will maintain a disciplined approach to operating costs across the business, as we look to leverage the investments we have made in sales, marketing and R&D over the last few years."

Fourth Quarter 2016 Results Conference Call

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Time: 8:30 am EST
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About TECSYS

TECSYS provides transformative supply chain solutions that equip our customers to succeed in a rapidly-changing omni-channel world. TECSYS solutions are built on a true enterprise supply chain platform, and include warehouse management, distribution and transportation management, as well as complete financial management and analytics. Customers running on TECSYS' Supply Chain Platform are confident knowing they can execute, day in and day out, regardless of business fluctuations or changes in technology, they can adapt and scale to any business needs or size, and they can expand and collaborate with customers, suppliers and partners as one borderless enterprise. From demand planning to demand fulfillment, TECSYS puts power into the hands of both front line workers and back office planners, and unshackles business leaders so they can see and manage their supply chains like never before.

TECSYS is the market leader in supply chain solutions for health systems and hospitals. Over 600 mid-size and Fortune 1000 customers trust their supply chains to TECSYS in the healthcare, service parts, third-party logistics, and general wholesale high-volume distribution industries. TECSYS' shares are listed on the Toronto Stock Exchange under the ticker symbol TCS.

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TECSYS INC.

The statements in this news release relating to matters that are not historical fact 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, the markets that TECSYS Inc. serves, the actions of competitors, major new technological trends, and other factors beyond the control of TECSYS Inc., which could cause actual results to differ materially from such statements. More information about the risks and uncertainties associated with TECSYS Inc.'s business can be found in the MD&A section of the Company's annual report and annual information form for the fiscal year ended April 30th, 2015. These documents have been filed with the Canadian securities commissions and are available on our website (www.tecsys.com) and on SEDAR (www.sedar.com).

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TECSYS Inc.
Consolidated Statements of Financial Position
As at April 30, 2016 and April 30, 2015
(in thousands of Canadian dollars)

	April 30, 2016	April 30, 2015
Assets		
Current assets		
Cash and cash equivalents	$ 9,704	$ 10,815
Accounts receivable	18,239	12,570
Work in progress	513	704
Other accounts receivable	1,393	434
Tax credits	4,893	5,369
Inventory	744	1,059
Prepaid expenses	1,622	1,394
Total current assets	37,108	32,345
Non-current assets		
Tax credits	1,483	1,538
Property and equipment	2,633	2,526
Deferred development costs	3,817	4,348
Other intangible assets	1,831	2,184
Goodwill	3,596	3,596
Deferred tax assets	2,222	840
Total non-current assets	15,582	15,032
Total assets	$ 52,690	$ 47,377
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	$ 10,399	$ 8,817
Current portion of long-term debt	1,455	1,456
Deferred revenue	11,205	10,098
Total current liabilities	23,059	20,371
Non-current liabilities		
Long-term debt	1,889	3,333
Other non-current liabilities	296	311
Total non-current liabilities	2,185	3,644
Total liabilities	25,244	24,015
Equity		
Share capital	8,349	8,349
Contributed surplus	9,577	9,577
Retained earnings	8,913	5,341
Accumulated other comprehensive income	607	95
Total equity attributable to the owners of the Company	27,446	23,362
Total liabilities and equity	$ 52,690	$ 47,377

TECSYS Inc.

Consolidated Statements of Income and Comprehensive Income

Three month periods and years ended April 30, 2016 and 2015

(in thousands of Canadian dollars, except per share data)

	Three Months Ended April 30, 2016 (unaudited)	Three Months Ended April 30, 2015 (unaudited)	Year Ended April 30, 2016	Year Ended April 30, 2015
Revenue:				
Proprietary products	$ 5,941	$ 3,884	$ 13,623	$ 12,525
Third-party hardware and software products	3,092	2,273	9,421	8,576
Services	11,489	9,093	42,479	34,347
Reimbursable expenses	622	516	1,943	1,836
Total revenue	21,144	15,766	67,466	57,284
Cost of revenue:				
Products	3,184	1,799	8,198	6,432
Services	5,642	5,652	22,500	21,443
Reimbursable expenses	622	516	1,943	1,836
Total cost of revenue	9,448	7,967	32,641	29,711
Gross profit	11,696	7,799	34,825	27,573
Operating expenses:				
Sales and marketing	4,256	3,951	14,952	12,727
General and administration	1,839	1,611	5,986	5,899
Research and development, net of tax credits	2,364	1,926	9,338	7,000
Total operating expenses	8,459	7,488	30,276	25,626
Profit from operations	3,237	311	4,549	1,947
Net finance costs	123	13	146	119
Profit before income taxes	3,114	298	4,403	1,828
Income tax (recovery) expense	(711)	3	(401)	313
Profit attributable to the owners of the Company	$ 3,825	$ 295	$ 4,804	$ 1,515
Other comprehensive income:				
Effective portion of changes in fair value on designated revenue hedges	986	742	512	95
Comprehensive income attributable to the owners of the Company	$ 4,811	$ 1,037	$ 5,316	$ 1,610
Basic and diluted earnings per common share	$ 0.31	$ 0.02	$ 0.39	$ 0.13

TECSYS Inc.
Consolidated Statements of Cash Flows
Years ended April 30, 2016 and 2015
(in thousands of Canadian dollars)

	Year Ended April 30, 2016	Year Ended April 30, 2015
Cash flows from (used in) operating activities:		
Profit for the year	$ 4,804	$ 1,515
Adjustments for:		
Depreciation of property and equipment	794	743
Depreciation of deferred development costs	1,418	1,291
Depreciation of other intangible assets	478	434
Net finance costs	146	119
Unrealized foreign exchange and other	(690)	74
Non-refundable tax credits	(868)	(500)
Income taxes	(508)	184
Operating activities excluding changes in non-cash working capital items related to operations	5,574	3,860
Accounts receivable	(5,669)	(2,374)
Work in progress	191	(84)
Other accounts receivable	(118)	(190)
Tax credits	531	(2,443)
Inventory	315	(298)
Prepaid expenses	(228)	(335)
Accounts payable and accrued liabilities	1,917	2,023
Deferred revenue	1,107	1,235
Changes in non-cash working capital items related to operations	(1,954)	(2,466)
Net cash from operating activities	3,620	1,394
Cash flows (used in) from financing activities:		
Repayment of bank loans	-	(140)
Repayment of long-term debt	(1,445)	(1,064)
Long-term debt	-	2,050
Issuance of common shares	-	6,096
Purchase of share options for cancellation	(6)	(31)
Payment of dividends	(1,232)	(1,038)
Interest paid	(136)	(126)
Net cash (used in) from financing activities	(2,819)	5,747
Cash flows (used in) from investing activities:		
Restricted cash equivalents	-	80
Interest received	65	21
Acquisitions of property and equipment	(988)	(435)
Proceeds on disposal of property and equipment	23	-
Acquisitions of other intangible assets	(125)	(374)
Deferred development costs	(887)	(1,551)
Receivables from TECSYS Latin America Inc.	-	43
Business combination, net of cash and cash equivalents acquired	-	(2,949)
Net cash used in investing activities	(1,912)	(5,165)
Net (decrease) increase in cash and cash equivalents during the year	(1,111)	1,976
Cash and cash equivalents - beginning of year	10,815	8,839
Cash and cash equivalents - end of year	$ 9,704	$ 10,815

TECSYS Inc.
Consolidated Statements of Changes in Equity
Years ended April 30, 2016 and 2015
(in thousands of Canadian dollars, except number of shares)

	Share capital Number	Share capital Amount	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total
Balance, April 30, 2015	12,315,326	$ 8,349	$ 9,577	$ 95	$ 5,341	$ 23,362
Profit for the year	-	-	-	-	4,804	4,804
Other comprehensive income for the year:						
Effective portion of changes in fair value on designated revenue hedges	-	-	-	512	-	512
Total comprehensive income for the year	-	-	-	512	4,804	5,316
Dividends to equity owners	-	-	-	-	(1,232)	(1,232)
Total transactions with owners of the Company	-	-	-	-	(1,232)	(1,232)
Balance, April 30, 2016	12,315,326	$ 8,349	$ 9,577	$ 607	$ 8,913	$ 27,446
Balance, April 30, 2014	11,524,421	$ 2,153	$ 9,577	$ -	$ 4,864	$ 16,594
Profit for the year	-	-	-	-	1,515	1,515
Other comprehensive income for the year:						
Effective portion of changes in fair value on designated revenue hedges	-	-	-	95	-	95
Total comprehensive income for the year	-	-	-	95	1,515	1,610
Common shares issued related to purchase of Logi D Holding Inc.	15,625	100	-	-	-	100
Common shares issued under bought deal financing	775,280	6,096	-	-	-	6,096
Dividends to equity owners	-	-	-	-	(1,038)	(1,038)
Total transactions with owners of the Company	790,905	6,196	-	-	(1,038)	5,158
Balance, April 30, 2015	12,315,326	$ 8,349	$ 9,577	$ 95	$ 5,341	$ 23,362