



20-20 Technologies Reports Second Quarter Results for Fiscal 2011

LAVAL, QUEBEC, June 13, 2011 -- 20-20 Technologies Inc. (TSX: TWT), the world leader in 3D interior design and furniture manufacturing software, today announced its results for the second quarter ended April 30, 2011. All amounts are in US dollars unless otherwise indicated.

Second Quarter Highlights

- Revenues of \$17.0 million, essentially unchanged compared to last year
- Net earnings stood at \$0.2 million or \$0.01 per share compared to \$0.3 million or \$0.01 per share last year
- Manufacturing sector revenues increased by 25.6% fuelled by momentum in Europe and International markets
- Revenues from International markets increased 60.4% over 2010
- EBITDA at \$1.7 million (\$2.0 million in constant dollars) compared to \$2.7 million in 2010

“Second quarter revenues were stable. However, if we exclude a large and non-recurring contract concluded last year, revenues rose by 6.8%. As we have indicated in recent quarters, a significant portion of our traditional and smaller customers representing close to 50% of our business are remaining on the sidelines; growth is being fuelled by projects, new products and new markets. As anticipated, maintenance revenues have stabilized over last year and increased modestly on a sequential basis,” said Jean-François Grou, Chief Executive Officer.

“With the revenue level basically unchanged, EBITDA of \$1.7 million for the quarter when compared to \$2.7 million last year, largely reflects a change in the product mix from licenses to lower margin professional services particularly if we consider that the contract mentioned earlier was predominantly license revenues.

Home sector revenues were down, suffering from an exceptional comparative quarter last year. Again, this quarter the manufacturing sector has outperformed the other sectors, essentially in Europe and International markets. Our optimism is growing in regard to the office sector as we saw double digit growth during the quarter. Our new product, 20-20 Visual Impression, generated significant pre-launch orders in the first quarter which have translated into license sales and higher services revenues in the second quarter,” said Mr. Grou.

SECOND QUARTER RESULTS

Revenues of \$17.0 million were basically flat, compared with \$17.2 million a year ago, partially helped by stronger European currencies versus the US dollar. Manufacturing and Office sector revenues increased while revenues from the Home sector declined.

Excluding a one-time large contract in North America during the second quarter of 2010, revenues in North America increased by 1.8% while revenues in Europe and International markets increased by 10.5% and 60.4% respectively. In percentage of total

revenues, North America, Europe and International markets represented 53.2%, 41.8% and 5.0% respectively.

Home sector revenues, accounting for 52.5% of total revenues, reached \$8.9 million, down 15.1% over the previous year. Excluding the one-time contract, revenues would have declined by 2.0%. While revenues in Europe were up modestly, revenues were down in North America and, to a smaller extent, in International markets.

Manufacturing sector revenues which accounted for 30.3% of total revenues, increased by 25.6% to \$5.1 million. Overall license revenues increased by 71.6% or \$0.8 million while maintenance and other recurring revenues were down by 7.2% and professional services were up by 32.2%. The momentum of inSight in Central and Eastern Europe remains very strong supported by a solid pipeline and the recent introduction of Version 5.

Office sector revenues reached \$2.9 million, up 12.9% over the previous year and 7.1% sequentially. After several quarters of declining revenues, a modest but upward trend started in Q1 2011 supported by stabilizing market conditions in the office industry and the introduction of Visual Impression. This contributed to overall license revenue growth of 34.4% for the second quarter over last year. Professional services revenues benefited from license revenue growth and increased by 25.1%.

Overall license revenues decreased by 10.2% to \$6.2 million and were down 3.5% sequentially over the first quarter of 2011. Excluding the one-time contract referred to previously, overall license revenues would have increased by 8.3% compared to last year. Overall license revenues from both the office and manufacturing sectors increased by 54.5%. As for the home sector, overall license revenues decreased by 37.2% or by 17.1%, excluding the large contract.

Maintenance and other recurring services revenues declined by 0.4% to \$7.3 million, reflecting decreases in North America and Europe mainly in the office and manufacturing sectors. Revenues were up modestly in International markets and in the home sector. Maintenance revenues have been relatively stable in the past four quarters and remained in the \$7.0 million range. With retention rates relatively stable and license growth registered in the past few quarters, maintenance revenues should continue to gradually trend up in coming quarters.

Professional services revenues increased by more than 18.0% to \$3.4 million when compared to last year and also on a sequential basis. While revenues increased in the home and office sectors, the main growth driver was strong license revenues in the manufacturing sector in Europe during the first quarter of 2011.

EBITDA

EBITDA reached \$1.7 million or 9.8% of revenues from \$2.7 million or 15.9% of revenues a year ago. The decrease in EBITDA reflects in large part the change in the product mix when compared to last year. It should be noted that higher margin overall license revenues represented 36.8% of total revenues this quarter compared with 40.5% last year. For the same period, lower margin professional services revenues increased from 16.6% to 20.0%. In addition, the impact of exchange rates was important and in constant dollars, EBITDA would have been \$2.0 million or 11.4% of revenues.

Net Earnings

The Company generated net earnings of \$0.2 million or \$0.01 per share, compared with net earnings of \$0.3 million or \$0.01 per share, a year ago.

Balance Sheet

The Company maintained a solid balance sheet with cash and cash equivalents of \$10.1 million compared with \$22.7 million for the previous year. Long-term debt was reduced by \$11.9 million when compared with last year and stood at \$4.2 million, including the current portion, as of April 30, 2011.

Outlook

“The good news is that our backlog is building up, and our competitive position is gaining momentum supported by a comprehensive roadmap based on our unique portfolio of solutions. Unfortunately, in many circumstances, our sales transactions have taken longer than usual to close, particularly in the U.S. market where economic indicators are moving sideways.

Our home sector will remain highly dependent on projects until smaller dealers feel confident enough to make investments. With the new version of inSight which received many positive reactions and enjoys a strong sales pipeline, the momentum of the manufacturing sector should be maintained in the second half of 2011. Visual Impression will clearly be an important driver for the office sector for the remainder of the year. On a medium-term basis, we see great potential for the sales forces of our existing customers to adopt the software, as is the case for designers. Our plan is also to greatly expand the market potential of the office sector and to sell our complete set of office solutions, including Visual Impression, in markets outside of North America.

We are continuing to apply tight control over our operating costs as they remain flat in constant dollars and the focus is clearly placed on sales and marketing efforts which are deployed to high growth markets,” concluded Jean-François Grou.

Conference Call Information

20-20 will host a conference call to discuss the second quarter results June 13th, 2011 at 2:00 p.m. (EDT). The call will be accessible by telephone at 1-877-974-0445, or 514-807-8791. An audio replay of the conference call will be available until midnight, June 20, 2011. To access it, dial 1-877-289-8525 and enter the pass code: 4446962#.

Please note that 20-20 Technologies' full financials and MD&A are available on SEDAR as well as on the Company's web site, www.2020technologies.com.

About 20-20 Technologies Inc.

20-20 Technologies is the world's leading provider of computer-aided design, business and manufacturing software tailored for the interior design and furniture industries. Dealers and retailers use our desktop and Web-based products and solutions for the home and office markets. 20-20 offers a unique end-to-end solution, integrating the entire breadth of functions in interior design. It provides a bridge for data communication from the point-of-sale to manufacturing, including computer-aided engineering and plant floor automation software. Operating in eleven countries with more than 500 employees and an extensive network of partners worldwide, 20-20 is a publicly traded company (TWT) on the Toronto Stock Exchange (TSX). For more information, visit www.2020technologies.com.

NON-GAAP MEASURE

References in this press release to the term "EBITDA" are related to cash earnings. EBITDA is defined for these purposes as Operating Income before non recurring charges plus amortization and depreciation expenses. EBITDA is not a recognized measure under GAAP in Canada and may not be comparable to similar measures used by other companies.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this news release constitute forward-looking information within the meaning of securities laws.

Implicit in this information, particularly in respect of future operating results and economic performance of the Company are assumptions regarding projected revenue and expenses. These assumptions, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Readers are cautioned that actual future operating results and economic performance of the Company are subject to a number of risks and uncertainties, including general economic, market and business conditions and could differ materially from what is currently expected.

For more exhaustive information on these risks and uncertainties, please refer to our most recently filed annual information form, available at www.sedar.com. Forward-looking information contained in this report is based on management's current estimates, expectations and projections, which management believes are reasonable as of the current date. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While we may elect to do so, we are under no obligation and do not undertake to update this information at any particular time unless required by applicable securities law.

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20-20 Technologies Inc.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands of U.S. dollars)

	April 30, 2011 (Unaudited) \$	October 31, 2010 (Audited) \$
ASSETS		
Current assets		
Cash and cash equivalents	10,137	14,681
Accounts receivable	21,346	16,685
Income taxes receivable	206	102
Contracts in progress	327	178
Prepaid expenses	1,122	1,019
Income tax credits recoverable	748	984
Future income taxes	364	263
	34,250	33,912
Property and equipment	2,491	2,345
Intangibles	6,895	6,968
Goodwill	66,021	61,472
Income tax credits recoverable	3,255	2,304
Future income taxes	1,549	2,745
Other assets	1,251	1,160
	115,712	110,906
LIABILITIES		
Current liabilities		
Bank loan	-	148
Accounts payable	11,540	11,907
Income taxes payable	862	413
Deferred revenue	17,633	13,644
Installment on long-term debt	1,111	2,833
Future income taxes	292	207
	31,438	29,152
Long-term debt	3,038	4,710
Leasehold inducements	255	279
Future income taxes	1,475	3,392
	36,206	37,533
SHAREHOLDERS' EQUITY		
Capital stock	58,541	58,569
Common stock options and warrants	1,656	1,553
Contributed surplus	1,050	1,050
Deficit	(1,349)	(1,979)
Accumulated other comprehensive income	19,608	14,180
	18,259	12,201
	79,506	73,373
	115,712	110,906

20-20 Technologies Inc.**CONSOLIDATED EARNINGS**

(Amounts in thousands of U.S. dollars, except per share data)

(Unaudited)	Three months ended		Six months ended	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenues	16,950	17,155	33,427	33,759
Cost of revenues	4,557	4,242	9,244	8,509
Gross margin	12,393	12,913	24,183	25,250
Operating expenses				
Sales and marketing	5,115	4,828	9,760	8,765
Research and development	2,743	2,941	5,660	6,242
General and administrative	3,647	3,158	7,108	6,655
Restructuration expense	(195)	-	(195)	-
Stock-based compensation	39	208	69	292
	11,349	11,135	22,402	21,954
Operating income	1,044	1,778	1,781	3,296
Financial expenses				
Bank charges and interest expense	206	348	480	699
Exchange loss	406	975	464	1,452
	612	1,323	944	2,151
Non-controlling interest	-	29	-	39
Earnings before income taxes	432	426	837	1,106
Income taxes				
Current	484	100	1,011	800
Future	(289)	53	(804)	(429)
	195	153	207	371
Net earnings	237	273	630	735
Earnings per share				
Basic and Diluted	0.01	0.01	0.03	0.04

20-20 Technologies Inc.
CONSOLIDATED CASH FLOWS
(Amounts in thousands of U.S. dollars)

(Unaudited)	Three months ended		Six months ended	
	2011	2010	2011	2010
	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net earnings	237	273	630	735
Non-cash items				
Amortization	819	952	1,727	1,976
Leasehold inducements	(22)	(21)	(43)	(41)
Stock-based compensation	38	187	57	270
Capitalized interest on long term debt	12	14	24	40
Non-controlling interest	-	29	-	39
Future income taxes	(289)	53	(804)	(429)
Unrealized gain on long term debt exchange	-	(425)	-	(559)
Unrealized loss (gain) on forward exchange contracts and currency options	(99)	(74)	95	(17)
Changes in working capital items	(536)	565	(1,874)	(1,545)
Cash flows from (used in) operating activities	160	1,553	(188)	469
INVESTING ACTIVITIES				
Business acquisition	(137)	98	(137)	98
Property and equipment – acquired	(382)	(233)	(596)	(479)
Intangible assets – acquired	(527)	-	(555)	-
Product of disposition of property and equipment	17	9	22	43
Other assets	(4)	14	(5)	3
Cash flows used in investing activities	(1,033)	(112)	(1,271)	(335)
FINANCING ACTIVITIES				
Repayment of bank loan	(148)	-	(148)	-
Long-term debt	105	600	105	1,300
Repayment of long-term debt	(2,770)	(2,698)	(4,078)	(3,382)
Common shares repurchased	(28)	-	(28)	-
Cash flows used in financing activities	(2,841)	(2,098)	(4,149)	(2,082)
Effect of changes in exchange rate on cash held in foreign currencies	835	1,114	1,064	1,421
Net increase (decrease) in cash and cash equivalents	(2,879)	457	(4,544)	(527)
Cash and cash equivalents, beginning of period	13,016	22,237	14,681	23,221
Cash and cash equivalents, end of period	10,137	22,694	10,137	22,694