

## **En Pointe Technologies, Inc. Announces First Quarter 1999 Results; Record Sales in Core Business Up 31%; Internet Subsidiary Revenue Increasing**

### **Sales in Core Business Up 31%; Internet Subsidiary Revenue Increasing**

LOS ANGELES, Feb. 10, 1999 -- En Pointe Technologies, Inc. (NASDAQ:ENPT), a leading national provider of information technologies and services, today announced revenues and net earnings for the first fiscal quarter ended December 31, 1998. Revenues for the period were \$170.6 million and the loss was \$(87,000). Earnings per share exclusive of the internet business, [www.firstsource.com](http://www.firstsource.com), were \$.05 for the three-month period ended Dec. 31, 1998.

Consolidated net loss per share inclusive of the internet subsidiary was \$(.01) for the same period. Consolidated revenues of \$170.6 million for the first quarter of fiscal 1999 represent a 31% increase over first quarter of fiscal 1998. Gross margins for the period were 7.8% as compared to 10.3% in the first quarter of fiscal 1998, representing a 24% decrease. Diluted loss per share was \$(.01) versus earnings of \$.18 reported for the first quarter in 1998.

En Pointe's internet business was launched in June of 1998 through its subsidiary, Purchase Pointe, Inc., doing business on the internet as [www.firstsource.com](http://www.firstsource.com). The [www.firstsource.com](http://www.firstsource.com) website is a one-stop e-commerce location for computer products targeted at small and medium sized business customers. Using firstsource.com's proprietary portal-direct technology, these customers can now search, compare, price and buy products directly from multiple distributors' inventory. This new portal-direct model allows customers to use a single web interface, avoiding the need to visit multiple other websites to efficiently shop, compare and buy computer products at competitive prices. Portal-direct combines maximum product availability, competitive pricing and swift delivery within an easy and efficient web-shopping environment.

During its second full quarter of operations, ended December 31, 1998, firstsource.com generated sales of \$4.7 million. Bob Din, Chief Executive Officer of En Pointe Technologies, Inc. stated, "[www.firstsource.com](http://www.firstsource.com) will be positioned as an independent company. It will raise capital from outside sources and build the infrastructure required to both develop brand awareness and to successfully pursue the sizeable market opportunity for web-based computer sales."

"Although En Pointe and firstsource.com share a common, but divergently focused, base of technology, as well as shared access to the benefits of En Pointe's volume purchase agreements, the firstsource.com business model requires significantly different marketing investments before it will achieve critical mass and profitability. En Pointe believes that such investments can be more efficiently obtained through strategic relationships with one or more financial investors and is actively exploring these investment arrangements," continued Din.

"During the first quarter of 1999, our core business showed continued strong growth, in the face of an ever-tougher competitive environment. Although the internet launch has been costly, we expect that we will reap the benefits associated with the expense of establishing our internet subsidiary" noted Din, expressing great enthusiasm for the progress of the company's internet e-commerce subsidiary. Din continued, "During this same quarter, the company recorded the highest level of quarterly sales in its history. En Pointe will continue to focus on increasing its growth by continuing to understand its customers' needs, and through the sale of services and higher-end products, increase margins."

"Our services revenue is up 89% from the same period last year and it continues to grow," said Kevin Schatzle, Executive Vice-President. "Strengthening our services capabilities is vital to becoming an integrated solutions provider," continued Schatzle. "This increase in services revenue is a reflection of some of the benefits of our prior investments in our services business."

1. Quarterly fluctuations in results
2. Seasonal patterns of sales and client buying behaviors
3. Changing economic influences in the industry
4. The development by competitors of new or superior delivery technologies or entry in the market by new competitors

5. Dependence on intellectual property rights
6. Delays in product development
7. The company's dependence on key personnel, and potential influence by executive officers and principal stockholders
8. Volatility of the company's stock price
9. Delays in the receipt of orders or in the shipment of products
10. Any delay in execution of the company's system development plans
11. Loss of minority ownership status
12. Planned or unplanned changes in the quantity and/or quality of the suppliers available for the company's products
13. The actions of suppliers of the company's products
14. Changes in the costs or availability of products
15. Interruptions in transport or distribution
16. General business conditions in the economy and other factors referred to in the company's Securities and Exchange Commission filings.

**About En Pointe Technologies, Inc.**

En Pointe Technologies, Inc. is a national business-to-business e-commerce provider of IT products and value-added services, using proprietary and non-proprietary software and systems to drop-ship materials, repair and operation ("MRO") products to its customers through an electronically linked network of the largest allied distributors in the U.S. This software allows En Pointe to serve as an electronic clearinghouse of computers and computer related products without many of the risks and costs associated with maintaining inventory. En Pointe offers its customers direct on-line access to 70% of the mainstream PC products. En Pointe Professional Services offers "total solution" system consulting services such as: pre-sale consulting, design, training, customization and integration.

En Pointe is represented nationally with a concentration in more than 20 sales and service markets throughout the United States, as well as a value-added ISO 9002 certified integration facility in Ontario, California. Visit En Pointe at [www.enpointe.com](http://www.enpointe.com).

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