

En Pointe Technologies, Inc. Reports Results for the Second Quarter of Fiscal 2000 Internet Subsidiary firstsource corp. Net Sales Increase by 113% over Q2-1999; En Pointe Gross Margins Continue to Improve for the Third Consecutive Quarter Service Revenues Achieve New Record

LOS ANGELES, May 3 /PRNewswire/ -- En Pointe Technologies, Inc. (Nasdaq:ENPT), a leading national provider of business-to-business information technology products and services, today announced revenues and net earnings for its FY-2000 second quarter ended March 31, 2000. Consolidated revenues were \$116 million in the second quarter, compared to \$145 million reported for the same quarter in fiscal 1999. The consolidated net loss for the second quarter of fiscal 2000 was \$4.9 million, or \$0.78 per share, compared to a net loss of \$4.5 million, or \$0.76 per share in the same period in fiscal 1999. Consolidated revenues and net loss per share for the six-months ended March 31, 2000 were \$252.4 million and \$1.62 per share, respectively, compared to revenues of \$315.5 million and net loss per share of \$0.78 for the same period in fiscal 1999.

Service revenues during the second quarter were \$7.5 million, an increase of 54% over the same period in the prior fiscal year and an increase of 11% over the prior sequential quarter. Service revenues represented over 6% of total revenues during the second quarter, a new record for En Pointe. En Pointe has continued to focus its efforts on steadily growing its service business.

Sales in the second quarter of fiscal 2000 were weaker than anticipated due, in part, to the effect of lost business resulting from the transition to new SAP-based business systems.

Consolidated gross profit margins continued their improvement, reaching 9.9% in the second quarter, up from 9.6% in the prior consecutive quarter, and up from 7.6% in the second quarter of fiscal 1999. Gross margins in En Pointe's core business also improved year-over-year, rising to 9.9% in the second quarter of fiscal 2000 from 7.7% in the same quarter of fiscal 1999. En Pointe's subsidiary, firstsource corp. achieved a record gross margin of 10.0% during the second quarter of fiscal 2000.

"We are pleased that our margins have continued their favorable trend, growing to 9.9% in the March quarter, which represents the third consecutive quarter-to-quarter increase," said Bob Din, CEO of En Pointe Technologies, Inc. "Improving profitability of our core business is now our top priority. Our willingness to switch to a new customized business system has positioned En Pointe and its SupplyAccess™ portal at the forefront of business-to-business e-commerce, a move we believe will lead us to increased productivity and customer satisfaction which, in turn, will lead to improved profitability and margins."

During the quarter ended March 31, 2000, En Pointe recognized non-recurring charges of \$1.2 million related to a previously disclosed litigation matter. Non-recurring charges of \$7.9 million, including \$1.7 million related to this same litigation matter, were recorded in the second quarter of fiscal 1999.

As was previously announced, SupplyAccess, Inc. raised over \$17 million from new investors with its first round of private financing during the quarter ended March 31, 2000. (Subsequent private placements have raised additional funds. As of April 4, 2000, En Pointe owned approximately 45.1% of SupplyAccess, Inc.) SupplyAccess, Inc. recorded a gain on the sale of stock of \$2.3 million during the March quarter.

During the quarter ended March 31, 2000, firstsource corp. raised nearly \$15 million through the private placement of a second round of convertible preferred stock. These funds are intended to be used to further enhance product offerings, fund advertising expenses and provide cash for overall growth. En Pointe's ownership in firstsource corp. as of March 31, 2000 was approximately 51.6%.

firstsource corp, a business-to-business e-commerce provider of innovative procurement solutions for small and medium-sized companies over the Internet, and a subsidiary of En Pointe Technologies, contributed record revenues for the second quarter of \$14.7 million, an increase of 113% over the same quarter in fiscal 1999 and an increase of 17% over the prior sequential quarter.

"We are extremely pleased with quality of the management team in place at firstsource and the consistent sales growth that they have been able to achieve," noted Bob Din. "Watching firstsource develop into a quality B2B e-commerce provider of business procurement solutions has been very satisfying."

The net loss at firstsource corp. during the second quarter totaled \$4.3 million, compared to a net loss of \$1.2 million in the same period of fiscal 1999. Minority interest eliminations reduced the consolidated effect of these losses from \$4.3 million to \$2.3 million. Increases in advertising and infrastructure expenses were the largest contributors to the increased loss. Customers of firstsource corp.'s three business units, inpowr(SM), firstsource connect and firstsource.com, utilize its proprietary end-to-end online management system, the inpowr(SM) FSP platform, to connect directly with multiple distributors of business products. Firstsource.com now offers products and services through nine unique internet-based storefronts. Product offerings include computer hardware and software; office equipment and furniture; office supplies; and telecommunications equipment. Service offerings now include technology support services, a national computer and information technology consulting directory, financing services for purchases, Internet access, hosting and web-site development, and on-line software and hardware tutorials. En Pointe's core business, excluding firstsource corp. and SupplyAccess, recorded a net loss of \$0.6 million in the second quarter of fiscal 2000. This loss included \$3.0 million representing the gain on the sale of En Pointe's EPIC III software to firstsource corp. and the previously noted non-recurring charges of \$1.2 million. The gain on the sale of the EPIC III software was eliminated in consolidation.

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.

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About firstsource corp.

firstsource corp., a subsidiary of En Pointe Technologies, Inc., is a leading business-to-business e-commerce provider of innovative procurement solutions for small and medium-sized companies over the Internet. Customers of firstsource corp.'s three business units, inpowr(SM), firstsource connect(SM) and firstsource.com, utilize its proprietary end-to-end sourcing/purchasing/fulfillment online management system, the inpowr(SM) FSP platform, to connect directly with multiple distributors of business products.

The inpowr(SM) business unit licenses access to the inpowr(SM) FSP platform in whole or in part to companies who desire to build online e-businesses, and firstsource connect(SM) creates customized Web-based purchasing centers for companies seeking to reduce procurement costs, streamline internal requisition processes and improve service delivery.

With more than 279,000 unique product SKUs to choose from, businesses shopping at www.firstsource.com can search, compare, price and purchase business products and services 24 hours a day, seven days a week.

About SupplyAccess, Inc.

SupplyAccess, Inc. is a provider of web-based applications, solutions, and portal sites that facilitate business-to-business direct procurement of a broad line of information technology (IT) and materials, repair and operation (MRO) products and services, as well as a carefully-targeted set of vertical market exchanges, including aircraft parts and medical supplies.

The low-cost procurement tool and quickly-integrated e-commerce portal site is designed for Fortune 1000 customers and government entities who are searching for a complete automated buying application that can be implemented in a matter of weeks, at little or no cost to the organization. The SupplyAccess™ network automates MRO and IT product acquisition, from end user requisitioning and approval workflow through electronic product procurement and delivery tracking. SupplyAccess™ provides open access to more than 172,000 IT product SKUs from the five largest U.S. distributors representing over 70% of all available PC products today. Additional product catalogs, including office supplies, equipment, furniture, packaged telecom systems and facilities products, are available to customers who want to maintain single electronic procurement relationships across all vendors. SupplyAccess™ is designed to interoperate with all existing marketplace electronic exchanges, bringing global procurement connectivity to its customers without the expense of onsite application implementation and maintenance.

SupplyAccess™ has a portal site that can be visited at www.supplyaccess.com. It features a guest login that can be used to demonstrate much of the client application functionality.

This press release contains forward-looking statements that involve a number of risks and uncertainties. Among the important factors that could cause actual results to differ materially from management's projections, estimates and expectations include, but are not limited to:

1. Changing economic influences in the industry including, but not limited to, those related to the Internet and those related to distribution of information technology and business products and services, and those relating to the market's perception and evaluation of business-to-business solutions providers.
2. The development by competitors of new or superior delivery technologies, or entry in the market by new competitors, or the loss of customers by the company, or decline in demand for the products sold by the Company
3. Dependence on intellectual property rights
4. Delays in product development or disruptions in the functioning of key software.
5. The company's and its subsidiaries' dependence on key personnel, and potential influence by executive officers and principal stockholders
6. Any delay in execution of the company's and its subsidiaries' system development or financing plans
7. Planned or unplanned changes in the quantity and/or quality of the manufacturers and suppliers available for the company's and its subsidiaries' products
8. The actions of manufacturers and suppliers of the company's and its subsidiaries' products
9. Changes in the costs or availability of products
10. General business conditions in the economy and other factors referred to in the company's Securities and Exchange Commission filings.

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