

En Pointe Technologies, Inc. Reports Third Consecutive Quarter of Net Income

First Six Months Consolidated Net Income of \$2.0 million; \$0.30 per share

LOS ANGELES, Calif., May 9 (PRNewswire) -- En Pointe Technologies, Inc. (NASDAQ:ENPT), a leading national provider of business-to-business information technology products and services, today announced consolidated net income for the second quarter of fiscal 2001 ended March 31, 2001 of \$837,000, or \$0.13 per basic and diluted share. Consolidated net income for the six months ended March 31, 2001 was \$2.0 million, or \$0.30 per basic and diluted share.

"We are very pleased with the results we posted for the first half of fiscal 2001," said Mike Shabazian, President of En Pointe Technologies, Inc. "This quarter represents the third consecutive quarter of profitability for En Pointe; indicating the reorganization steps we took in June 2000 were correct and positioned us well for the current market conditions. Additionally, our service business has continued to turn in positive results and we are optimistic about the many service opportunities on the horizon."

Service revenues for the second quarter of fiscal 2001 were \$8.3 million, an increase of 11% over the \$7.5 million reported for the same quarter in fiscal 2000. Service revenues during the six-month period ended March 31, 2001 increased 14% year-over-year to \$16.2 million.

Consolidated net sales were \$90 million in the quarter ended March 31, 2001 compared to \$116 million in the same period in fiscal 2000. Net sales from En Pointe's core business in the second quarter of fiscal 2000 were \$101 million. Results for the core business exclude SupplyAccess and firstsource, affiliates that were deconsolidated in the third quarter of fiscal 2000 and are no longer consolidated in the current fiscal year. Management believes that comparisons to the core business in fiscal 2000 are more representative of En Pointe as it operates today.

Consolidated net sales for the six months ended March 31, 2001 were \$208 million compared to \$225 million for the core business during the same period in the prior fiscal year. En Pointe's consolidated net sales were \$252 million during the first six months of fiscal 2000.

The blended gross margin for Q2 of fiscal 2001 of 12.4% represented a new high for En Pointe that resulted primarily from the sale of technology products. Certain sales during the quarter yielded unusually high gross margins, some of which represented opportunities that may not be repeatable in future periods. Gross margin in the prior sequential quarter was adversely affected by similarly unusual sales that yielded relatively low gross margins. The blended gross margin for the six-month period ended March 31, 2001 was 10.4%, which management believes is more representative of anticipated gross margins than that reported in either the first or second quarters of fiscal 2001. Blended gross margins reported for the first six months in the prior fiscal year were 9.8%. Gross margins on product and service revenues were 8.4% and 34.4%, respectively, for the first half of fiscal 2001.

En Pointe's operating income for the second quarter and first six months of fiscal 2001 was \$660,000 and \$1.1 million, respectively. During the second quarter and first six months of the prior fiscal year, the Company reported core-business operating losses of \$3.4 million and \$3.8 million, respectively.

During the quarter ended March 31, 2001, En Pointe Technologies, Inc. recognized income of approximately \$368,000 as income from reversal of losses from unconsolidated affiliates representing installment payments received on a note receivable from firstsource corp., for which reserves were previously established.

A conference call is scheduled for 1:30 PM Pacific Time on Wednesday, May 9, 2001 at which time the Company's management will discuss the results for the quarter and six-month periods ended March 31, 2001, current activities within the business and future trends affecting the business. Those interested in listening to the live webcast of this call may do so by clicking on <http://www.videonewswire.com/ENPOINTE/050901/>. This webcast will remain available for 90 days following the call.

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 customized and non-proprietary software and systems to drop-ship technology 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 available in the U.S. today. En Pointe Professional Services offers "total solution" system consulting services such as: Pre-sale consulting, design, training, customization, integration, help-desk support and managed services.

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.

About SupplyAccess, Inc.

SupplyAccess, Inc., an affiliate in which En Pointe Technologies, Inc. owns a minority interest, is a provider of software solutions that enable business-to-business (B2B) eCommerce and eXtended Relationship Management (XRM) in the IT and operating resource markets. Through the SupplyAccess Commerce Platforms- a suite of integrated and web-based, hosted software solutions - SupplyAccess provides strategic eProcurement, supplier integration, and marketplace solutions to various corporate, government and educational organizations. Powering B2B solutions for hundreds of customers, SupplyAccess enables more efficient trade and collaboration between buyers, suppliers, and market makers.

SupplyAccess, Inc. can be visited at www.supplyaccess.com.

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In addition, from time to time, En Pointe Technologies, or its representatives, have made or may make forward-looking statements, orally or in writing. The words "estimate," "project," "potential," "intended," "expect," "believe" and similar expressions or words are intended to identify forward-looking statements. Such forward-looking statements may be included in, but are not limited to, various filings made by the Company with the Securities and Exchange Commission, press releases or oral statements made with the approval of an authorized executive officer of the Company. Actual results could differ materially from those projected or suggested in any forward-looking statements as a result of a wide variety of factors and conditions. Reference is hereby made to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2000, for information regarding those factors and conditions. 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: Changing economic influences in the industry; dependence on key personnel; actions of manufacturers and suppliers; and, availability of adequate financing.

All trademarks and service marks are the property of their respective owners.

For further information, please contact En Pointe Technologies at (310) 725-5200, or

Arlene Crispin
Executive Office Coordinator
Phone: (310) 725-5265
Fax: (310) 727-5803
email: acrispin@enpointe.com

En Pointe Technologies, Inc.
Condensed Consolidated Balance Sheets
(in thousands)

	March 31, 2001	September 30, 2000
ASSETS:		
Current assets:		
Cash	\$ 2,534	\$ 2,616
Restricted cash	75	73
Accounts receivable, net	54,945	79,022
Inventories	9,963	9,296
Income taxes receivable	1,286	1,420
Prepaid expenses and other current assets	1,145	1,503
Total current assets	<u>69,948</u>	<u>93,930</u>
Property and equipment, net	7,034	7,487
Other assets	252	271
Total assets	<u>\$ 77,234</u>	<u>\$ 101,688</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Borrowings under lines of credit	\$ 14,154	\$ 41,198
Accounts payable	16,780	12,906
Accrued liabilities	9,420	10,198
Other current liabilities	5,654	7,323
Current portion of notes payable	7	53
Total current liabilities	<u>46,015</u>	<u>71,678</u>
Long term liability and notes payable	5,463	5,463
Losses in excess of investments in unconsolidated affiliates	7,080	8,040
Total liabilities	<u>58,558</u>	<u>85,181</u>
Total stockholders' equity	18,676	16,507
Total liabilities and stockholders' equity	<u>\$ 77,234</u>	<u>\$ 101,688</u>

En Pointe Technologies, Inc.**Condensed Consolidated Statements of Operations**

(in thousands, except per share data)

	Three months ended March 31,		Six months ended March 31,	
	2001	2000	2001	2000
Net sales	\$ 90,083	\$ 116,136	\$ 207,890	\$ 252,368
Cost of sales	78,913	104,597	186,188	227,722
Gross profit	11,170	11,539	21,702	24,646
Selling and marketing expenses	7,673	12,461	15,055	24,835
General and administrative expenses	2,837	7,201	5,499	14,091
Non-recurring charges	-	1,173	-	1,173
Operating income (loss)	660	(9,296)	1,148	(15,453)
Interest expense	(291)	(589)	(637)	(1,185)
Gain on sale of assets	-	3,938	-	3,938
Other income, net	57	100	117	165
Minority interest	-	-	-	512
Income (loss) before income taxes and income from reversal of losses of affiliates	426	(5,847)	628	(12,023)
Provision/(benefit) for income taxes	(43)	(340)	38	(669)
Income from reversal of losses of affiliates	368	-	1,368	-
Net income (loss)	\$ 837	\$ (5,507)	\$ 1,958	\$ (11,354)
Net (loss) income per share:				
Basic	\$ 0.13	\$ (0.87)	\$ 0.30	\$ (1.83)
Diluted	\$ 0.13	\$ (0.87)	\$ 0.30	\$ (1.83)
Weighted average shares outstanding:				
Basic	6,567	6,302	6,559	6,205
Diluted	6,592	6,302	6,589	6,205