

En Pointe Technologies, Inc. Reports Earnings Results for the Fourth Quarter and Fiscal Year Ended September 30, 2001

Los Angeles, CA – December 12, 2001 - En Pointe Technologies, Inc. (NASDAQ:ENPT), a leading national provider of business-to-business information technology services and products, today announced consolidated revenue and net income for its fourth quarter and fiscal year ended September 30, 2001. The Company, as previously announced, expected revenue for the quarter ended September 30, 2001 to be in the mid-\$60 million range, down from the prior sequential quarter due primarily to a significant economic slowdown and deferral in capital spending. Consolidated revenues were \$67 million in the fourth quarter and \$365 million for the twelve months ended September 30, 2001. Revenues in fiscal 2001 were down compared to the prior fiscal year when the company reported \$124 million and \$494 million for the quarter and year ended September 30, 2000, respectively.

Consolidated net income for the quarter ended September 30, 2001 was \$151,000, or \$0.02 per basic and diluted share, which includes the reversal of losses from affiliates of \$2.0 million. The company reported consolidated net income of \$2.4 million in the fourth quarter of the prior fiscal year, or \$0.37 per basic and diluted share, including the reversal of losses from affiliates of \$2.3 million.

“The fourth quarter was negatively impacted by the economic slowdown that began early this year,” said Tom Scott, President and Chief Operating Officer of En Pointe Technologies Sales, Inc. “We are continuing to feel the effect of this slowdown and are currently projecting revenue in the December 2001 quarter to be slightly higher than our revenue in the September quarter, but yielding slightly reduced gross margins.”

En Pointe’s consolidated net income for the twelve months ended September 30, 2001 was \$5.4 million, or \$0.81 per basic and \$0.80 per diluted share. As with the quarterly results, the net income reported for the 2001 fiscal year was favorably impacted by a reversal of losses from affiliates, which totaled \$8.4 million. The net income reported for fiscal 2001 represented a significant improvement over the consolidated net loss reported for the prior fiscal year of \$19.4 million or \$3.02 per share, which included losses of \$10.0 million generated by En Pointe’s affiliates.

Service revenue during the fourth quarter of fiscal 2001 was \$7.4 million, compared to \$8.8 million reported in the same quarter in the prior fiscal year and the \$7.6 million generated in the prior sequential quarter. Service revenue reported for the 2001 fiscal year was \$31.2 million, an increase of 3.1% over the \$30.2 million reported in the prior fiscal year. Gross margins realized on service revenues were 39.5% and 35.7% for the fourth quarter of fiscal 2001 and the fiscal year ended September 30, 2001, respectively, compared to 38.4% and 35.3% for the same periods in the prior year.

Due primarily to the economic slowdown that began earlier this year, which in turn adversely affected capital spending, En Pointe reported fourth quarter fiscal 2001 product sales of \$59 million, compared to \$115 million for the same quarter in fiscal 2000. Product sales during the

full 2001 fiscal year were \$334 million, off from the \$464 million reported in fiscal 2000. While gross margins on product sales for fiscal 2001 remained on target at 8.5%, they declined slightly during the fourth quarter to 7.9%, due in part to fixed costs associated with operating the Ontario configuration center.

En Pointe's operating profit and net income in the fourth quarter of fiscal 2001 were positively affected by the favorable reversal of a judgement regarding legal fees in the Novaquest matter, which is reflected as a credit of \$1.3 million to non-recurring charges. The expense associated with the original award of these legal fees was recorded during the quarter ended March 31, 2000. Non-recurring charges also included a charge of \$240,000 in the fourth quarter of fiscal 2001 related to increased costs associated with the "virtualization" of En Pointe's sales force initiated in the June 2001 quarter.

During the 2001 fiscal year, En Pointe recognized income from reversal of losses from unconsolidated affiliates totaling \$8.4 million, including the reversal of previously established reserves and obligations related to certain transactions with its affiliates, firstsource corp. and SupplyAccess, and the release of guarantees made on behalf of firstsource.

A conference call is scheduled for 5:00 PM Eastern Time (2:00 PM Pacific Time) on Wednesday, December 12, 2001 at which time the Company's management will discuss the results for the quarter and the fiscal year ended September 30, 2001. Those interested in listening to the live webcast of this call may do so by clicking on <http://www.videonewswire.com/ENPOINTE/121201/>. 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 24 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.

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,” “anticipate,” “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.

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Contacts:

Kevin McGrath
Cameron Associates Inc.
Phone: (212) 245-4577
Fax: (212) 235-4165
e-mail: kevin@cameronassoc.com

Gail OReilly
En Pointe Technologies, Inc.
Phone: (310) 725-5265
Fax: (310) 727-5803
e-mail: goreilly@enpointe.com

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

	September 30, 2001	September 30, 2000
ASSETS:		
Current assets:		
Cash	\$ 1,584	\$ 2,616
Restricted cash	76	73
Accounts receivable, net	37,019	79,022
Inventories	6,396	9,296
Recoverable taxes	1,842	1,420
Prepaid expenses and other current assets	1,216	1,503
Total current assets	<u>48,133</u>	<u>93,930</u>
Property and equipment, net	7,843	7,487
Other assets	213	271
Total assets	<u>\$ 56,189</u>	<u>\$ 101,688</u>
LIABILITIES AND STOCKHOLDERS' EQUITY:		
Current liabilities:		
Borrowings under lines of credit	\$ 9,440	\$ 41,198
Accounts payable	8,426	15,631
Accrued liabilities	8,092	10,198
Other current liabilities	1,946	4,598
Current portion of notes payable	-	53
Total current liabilities	<u>27,904</u>	<u>71,678</u>
Long term liability and notes payable	5,431	5,463
Losses in excess of investment in unconsolidated affiliates	817	8,040
Total liabilities	<u>34,152</u>	<u>85,181</u>
Total stockholders' equity	22,037	16,507
Total liabilities and stockholders' equity	<u>\$ 56,189</u>	<u>\$ 101,688</u>

En Pointe Technologies, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three months ended September 30,		Year ended September 30,	
	2001	2000	2001	2000
Net sales	\$ 66,625	\$ 123,680	\$ 365,280	\$ 494,421
Cost of sales	59,024	110,718	325,792	445,865
Gross profit	7,601	12,962	39,448	48,556
Selling and marketing expenses	7,611	8,533	29,957	45,308
General and administrative expenses	2,877	3,694	11,026	22,830
Non-recurring charges	(1,015)	-	846	2,717
Operating (loss) income	(1,872)	735	(2,341)	(22,299)
Interest expense	93	494	970	1,718
Gain on sale of assets	(89)	-	(95)	(3,938)
Other income, net	(88)	(122)	(269)	(349)
Minority interest	-	-	-	(512)
(Loss) income before income taxes and loss reversal income / (losses) of affiliates	(1,788)	363	(2,947)	(19,218)
(Benefit)/ provision for income taxes	85	187	86	(535)
Loss reversal income /(losses) from affiliates	2,024	2,258	8,392	(702)
Net income (loss)	\$ 151	\$ 2,434	\$ 5,359	\$ (19,385)
Net (loss) income per share:				
Basic	\$ 0.02	\$ 0.37	\$ 0.81	\$ (3.02)
Diluted	\$ 0.02	\$ 0.37	\$ 0.80	\$ (3.02)
Weighted average shares outstanding:				
Basic	6,650	6,530	6,597	6,419
Diluted	6,688	6,590	6,685	6,419