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**DynTek Announces Results for Fourth Quarter and Fiscal Year 2011**  
*Company Achieves 45% Revenue Growth, 82% EBITDA Growth and Net Income of \$5.6 Million for Fiscal Year 2011*

**Newport Beach, CA – September 26, 2011 – DynTek, Inc. (DYNE.PK)**, a leading provider of professional technology services, today announced results for its fourth fiscal quarter and fiscal year ended June 30, 2011.

**Fiscal Year Results**

DynTek reported revenues of \$123,801,000 for the fiscal year ended June 30, 2011, an increase of 45% from \$85,589,000 in fiscal year 2010. Gross profit increased to \$20,713,000 for the fiscal year ended June 30, 2011, an increase of 25% from \$16,606,000 for the prior fiscal year. Total operating expenses increased to \$16,192,000 in the fiscal year ended June 30, 2011, as compared to \$14,280,000 in the prior fiscal year, but decreased more than 3% as a percentage of total revenues.

DynTek reported positive EBITDA of \$5,049,000 for the fiscal year ended June 30, 2011, an increase of 82% from \$2,778,000 for the fiscal year ended June 30, 2010. Net income was \$5,633,000 for fiscal year 2011, comprised of \$2,892,000 of income from continuing operations before income taxes and a \$2,741,000 income tax benefit, primarily from the release of deferred tax asset valuation allowance, as compared to net income of \$181,000 for the year ended June 30, 2010. The 2011 audited consolidated financial statements and notes thereto are available under DYNE.PK.

“Our results this quarter and fiscal year are a culmination of the intense efforts by our team to strategically grow our footprint in existing markets through vertical expansion and a broader solution portfolio, as well as nimbly manage our internal operations to sustain our growth,” said Ron Ben-Yishay, DynTek’s chief executive officer. “We are experiencing record results across all of our regions and solution areas and we are catalyzing that growth through strategic alliances with top tier technology partners, and investing in our sales and technical teams.”

**Fourth Quarter Results**

DynTek reported revenues of \$37,854,000 for the fourth fiscal quarter ended June 30, 2011, an increase of 62% from \$23,411,000 in the fourth fiscal quarter of 2010. Gross profit for the quarter increased to \$5,661,000 from \$4,762,000 in the prior fourth fiscal quarter, an increase of 19%. Total operating expenses increased to \$4,662,000 in the fourth fiscal quarter ended June 30, 2011 compared to \$4,155,000 in the prior fourth fiscal quarter, but decreased more than 5% as a percentage of total revenues.

DynTek reported positive EBITDA of \$1,362,000 for the fourth fiscal quarter ended June 30, 2011, an increase of 66% from \$819,000 for the fourth fiscal quarter of 2010. Net income was \$3,831,000 for the fourth fiscal quarter of 2011, comprised of \$968,000 of income from continuing operations before income taxes and a \$2,863,000 income tax benefit, primarily from the release of deferred tax asset valuation allowance, as compared to \$76,000 for the fourth fiscal quarter of 2010.

## **EBITDA**

The Company defines EBITDA as net income from operations before interest, taxes, depreciation and amortization, and stock-based compensation. Other companies may calculate EBITDA differently. Although EBITDA is a widely used financial indicator of a company's ability to service debt, it is not a recognized measure for financial statement presentation under generally accepted accounting principles (GAAP). EBITDA should not be considered in isolation or as superior or as an alternative to net income or to cash flows from operating activities as determined in accordance with GAAP. Nonetheless, the Company believes that EBITDA provides useful supplemental information for investors and others to measure operating performance, especially in situations where a company has significant non-cash operating expenses that are not indicative of core business operating results. EBITDA is widely used in the IT services industry to analyze comparable company performance, and management of the Company also uses EBITDA, in addition to GAAP information, as a measure of operating performance for assessing its business units.

## **About DynTek**

DynTek is a leading provider of professional technology services to mid-market companies, such as state and local governments, educational institutions and commercial entities in the largest IT markets nationwide. From [virtualization](#) and [cloud computing](#) to [unified communications](#) and [collaboration](#), DynTek provides professional technology solutions across the three core areas of our customers' technical environment: [Infrastructure/Data Center](#), [Microsoft Platform](#), [End Point Computing](#). DynTek's multidisciplinary approach allows our clients to turn to a single source for their most critical technology requirements. For more information, visit <http://www.dyntek.com>.

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## **Forward Looking Statements**

*This press release contains certain 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, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that certain statements in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve known and unknown risks, uncertainties and other factors. Such uncertainties and risks include, among others, success in reaching target markets for services and products in a highly competitive market and the ability to maintain existing and attract future customers; our ability to finance and sustain operations, including our ability to comply with the terms of working capital facilities and/or other term indebtedness of DynTek, and to extend such obligations when they become due, or to replace them with alternative financing; our ability to raise equity capital in the future; our ability to achieve profitability despite historical losses from operations; our ability to maintain business relationships with IT product vendors and our ability to procure products as necessary; the size and timing of additional significant orders and their fulfillment; the continuing desire of and available budgets for state and local governments to outsource to private contractors; our ability to successfully identify and integrate acquisitions; the retention of skilled professional staff and certain key executives; the performance of DynTek's government and commercial technology services; the continuation of general economic and business conditions that are conducive to outsourcing of IT services; and such other risks and uncertainties included in our Annual Report on Form 10-K filed on October 29, 2007, our Quarterly Report on Form 10-Q filed on November 19, 2007 and other SEC filings. DynTek has no obligation to publicly revise any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements.*

**DYNTTEK, INC. AND SUBSIDIARY**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(EBITDA presentation, unaudited, in thousands)**

	<u>Quarter Ended June 30, 2011</u>	<u>Fiscal Year Ended June 30, 2011</u>	<u>Quarter Ended June 30, 2010</u>	<u>Fiscal Year Ended June 30, 2010</u>
<b>REVENUES</b>				
Product revenues	\$29,871	\$92,900	\$14,891	\$53,895
Service revenues	7,983	30,901	8,520	31,694
<b>TOTAL REVENUES</b>	<u>37,854</u>	<u>123,801</u>	<u>23,411</u>	<u>85,589</u>
<b>COST OF REVENUES</b>				
Cost of products	26,143	79,145	12,395	45,391
Cost of services	6,050	23,943	6,254	23,592
<b>TOTAL COST OF REVENUES</b>	<u>32,193</u>	<u>103,088</u>	<u>18,649</u>	<u>68,983</u>
<b>GROSS PROFIT</b>	<u>5,661</u>	<u>20,713</u>	<u>4,762</u>	<u>16,606</u>
<b>OPERATING EXPENSES</b>				
Selling	3,023	11,191	2,852	10,262
General and administrative	1,608	4,870	1,241	3,825
Depreciation and amortization	31	131	62	193
<b>TOTAL OPERATING EXPENSES</b>	<u>4,662</u>	<u>16,192</u>	<u>4,155</u>	<u>14,280</u>
<b>INCOME FROM OPERATIONS</b>	999	4,521	607	2,326
<b>EBITDA</b>	1,362	5,049	819	2,778
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(31)	(1,615)	(477)	(2,047)
Other income (expense), net	-	(14)	-	(24)
<b>TOTAL OTHER EXPENSE</b>	<u>(31)</u>	<u>(1,629)</u>	<u>(477)</u>	<u>(2,071)</u>
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	968	2,892	130	255
Income tax benefit (provision)	2,863	2,741	(54)	(54)
<b>DISCONTINUED OPERATIONS</b>				
Loss from discontinued operations, net of tax	-	-	-	(20)
<b>TOTAL LOSS FROM DISCONTINUED OPERATIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20)</u>
<b>NET INCOME</b>	<u>\$3,831</u>	<u>\$5,633</u>	<u>\$76</u>	<u>\$181</u>