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DynTek Announces Results for First Quarter Fiscal Year 2012 *Company Achieves 55% Growth in EBITDA and 59% Growth in Net Income*

Newport Beach, CA – October 26, 2011 – [DynTek, Inc. \(DYNE.PK\)](#), a leading provider of [professional technology services](#), today announced results for its first fiscal quarter ended September 30, 2011.

DynTek reported positive EBITDA of \$1,428,000 for the first fiscal quarter ended September 30, 2011, an increase of \$509,000 or 55% from \$919,000 for the first fiscal quarter of 2011. Net income was \$607,000 for the first fiscal quarter of 2012, an increase of \$226,000 or 59% from \$381,000 for the first fiscal quarter of 2011.

DynTek reported gross profit of \$5,447,000 for the first fiscal quarter ended September 30, 2011, an increase of \$909,000 or 20% from \$4,538,000 for the prior first fiscal quarter. Revenues for the first fiscal quarter of 2012 were \$27,552,000, a slight decrease of 4% from \$28,684,000 in the first fiscal quarter of 2011. Total operating expenses increased to \$4,054,000 in the first fiscal quarter ended September 30, 2011 compared to \$3,674,000 in the prior first fiscal quarter.

“Despite a challenging economic climate, our business continues to realize substantial growth as more and more organizations turn to technologies, such as virtualization and unified communications, to help them reduce operating expenses and increase worker productivity,” said Ron Ben-Yishay, DynTek’s chief executive officer. “We saw a dramatic improvement in our bottom line net income and EBITDA figures, demonstrating that we are increasing profitability as we increase the number of higher margin service-based consulting engagements in the field.”

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 procedures (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.

DYNTEK, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(EBITDA presentation)
(Unaudited, in thousands)

	<u>Quarter Ended September 30, 2011</u>	<u>Quarter Ended September 30, 2010</u>
REVENUES		
Product revenues	\$19,196	\$21,470
Service revenues	8,356	7,214
TOTAL REVENUES	<u>27,552</u>	<u>28,684</u>
COST OF REVENUES		
Cost of products	15,749	18,355
Cost of services	6,356	5,791
TOTAL COST OF REVENUES	<u>22,105</u>	<u>24,146</u>
GROSS PROFIT	<u>5,447</u>	<u>4,538</u>
OPERATING EXPENSES		
Selling	2,767	2,542
General and administrative	1,257	1,095
Depreciation and amortization	30	37
TOTAL OPERATING EXPENSES	<u>4,054</u>	<u>3,674</u>
INCOME FROM OPERATIONS	1,393	864
EBITDA	1,428	919
OTHER INCOME (EXPENSE)		
Interest expense	(248)	(450)
TOTAL OTHER EXPENSE	<u>(248)</u>	<u>(450)</u>
INCOME BEFORE INCOME TAX PROVISION	1,145	414
Income tax provision	538	33
NET INCOME	<u>\$607</u>	<u>\$381</u>