



PRESS RELEASE

**Allied Digital acquires US based
EnPointe Global Services Llc for USD 30 Million**

Acquisition to enhance ADSL's position in the Remote IT Infrastructure and Security Management in US market

Mumbai India, July10 ,2008: Allied Digital Services Ltd. (BSE:532875,NSE: ADSL) a leading Indian, Enterprise IT infrastructure management services provider has acquired 80.5% stake in IT Infrastructure Management/Remote Management Services provider **EnPointe Global Services Llc.**, a carved out subsidiary of EnPointe Technologies Inc. (ENPT) a NASDAQ listed company with revenues over USD 340 Million. According to the effective acquisition agreement, Allied Digital has acquired the IT Infrastructure Managed Services business for an equity valuation of USD 30 Million.

The transaction, which has been solely advised by Singhi Advisors Limited is a combination of cash & equity swap, entailing upfront cash payment of USD 10 Million & issuance of 745,000 equity shares of ADSL to ENPT, with an additional cash infusion of USD 4 Million in En Pointe Global. This acquisition is revenue and earnings accretive to ADSL and is expected to strengthen the opportunity pipeline for the company in the US market for its Remote Service offering (NOC + SOC) and also use the acquired entity as a platform for several other inorganic growth initiatives across the globe.

En Pointe Global has contracted revenues of USD 40 Million, with gross margins of 35%. En Pointe Global will receive on going marketing & business support from USD 350 Million En Pointe Technologies, which has a strong sales team, reach & credibility established over last 15 years of operation in the US market & an established presence across 44 states and a client base which includes several Fortune 1000 Corporate across BFSI, healthcare, retail, manufacturing, aviation, transportation sectors.

Chairman & Managing Director of Allied Digital, Mr. Nitin Shah, said *"This acquisition underlines our commitment to expand geographically in the IT infrastructure management domain. The fact that En Pointe is a well-established company serving the US market, gives us a*



ready base to expand our presence & leverage on the tremendous cross selling opportunity in Remote Management Services & Managed Security segment in US“

The global market opportunity for remote infrastructure management services has been predicted to reach \$70 billion, according to industry association NASSCOM. ADSL's expertise in Remote IT infrastructure management services, will enhance EGS's ability to up sell High-end enterprise and data centre management service offerings to ENPT wide customer base across USA by offering them cost –effective Remote Infrastructure Management, Managed Security, Compliance Monitoring and Reporting Services

Allied Digital growing at 45% revenue CAGR & 70% profit CAGR for last 3 years, with a strength of more than 1800 professionals from different managerial & engineering backgrounds, across 132 locations within India, caters to a diverse customer base across the BFSI, Manufacturing, Retail, Telecom and BPO Verticals. Allied Digital's SOC in tie up with E-Cop (www.e-cop.net), Singapore enjoys 90% market share in the BFSI vertical vertical is set to generate huge business opportunity in the US Market.

CEO of En Pointe Technologies, Mr. Din Bob, said, *“We are very pleased to announce our alliance with Allied Digital, which will help us consolidate our IT infrastructure Managed Services business, by leveraging on the service focus and lower servicing cost platform. This relationship would help us expand our service offering to encompass the entire managed services offering to our customers and also enable new customer acquisitions across the US”. Mr. Din Bob stated “With Allied Digital's Remote Managed Services(NOC) ,Security Monitoring and Compliance Reporting offering(SOC), we will be able to leverage our current customer relationships and our presence in the US market to achieve a leadership position in the end to end Enterprise IT services offering.”*

Chairman & Managing Director of Allied Digital, Mr. Nitin Shah, said *“The Indian IT industry has been continuously evolving & emergence of IT infrastructure management services is set to make India the nerve centre of world IT services network. With increasing competition & rising cost pressure, most multinational corporations shall look at outsourcing their IT Infrastructure/Remote management needs.”*



About Allied Digital Services Limited

Allied Digital, a Systems Integrator and IT Infrastructure Management Services Provider, operates across a network of 132 locations in 25 states across India and with a team of around 1,800 employees country-wide. Allied enables global, large and medium enterprises and service providers to reduce their total cost of ownership using a combination of onsite and remote services, a preferred choice for outsourced technical support for business-to-business, business-to-consumer, e-commerce and corporate internal environments.

Allied Digital seeks to enhance its position as a provider of Integrated IT services by addressing new geographies, acquiring new markets, products and services via strategic acquisitions as well as inorganic growth through cross-selling and up-selling. In addition, growth is achieved through sales, marketing initiatives, and strategic deals with OEM's, technology partners, to offer technology solutions, managed services and professional services to global customers.

The Global Delivery Centre set up for Remote Management Services consisting of Network Operation Centre (NOC) and Information Security Operation Centre (SOC). NOC provides innovative managed services platform - a key driver for growth in managed services market, whereas SOC provides proactive protection and risk management for enterprise security 24x7 to its customers. In collaboration with E-cop, Allied is one of the first in the country to provide managed security services such as highly specialized 24x7 information security surveillance service, powered by advanced event correlation engine and incident handling technology. The Global Delivery Centre will also house a 250seater Tech BPO.

Allied Digital had a strategic tie-up with Echelon to foray into Intelligent Building Management and Energy Management Solutions. The company's focus is to invest in future opportunities by expanding in high potential service lines (TBPO and RMS), profitable complex technology and business solutions. It aims to stay ahead by leveraging early-mover advantage in emerging technologies like Intelligent Business Management Systems (IBMS), Managed Security Services (MSS) and Cheque Truncation Services (CTS).

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