

Emtec Refinances \$45 Million Credit Facility With PNC

Emtec, Inc., a systems integrator, announced that it has refinanced its \$45 million existing credit facility with PNC Bank, through its PNC Business Credit division. In addition, the company announced an additional \$3 million mezzanine investment by Peachtree Equity Partners, an Atlanta-based private equity firm specializing in subordinated debt and equity investments for middle-market growth companies.

Dinesh Desai, CEO of Emtec, commented, "We are pleased to have an exciting new relationship with PNC who will be a valuable resource for us going forward. We feel we have selected a leading institution that can help us grow and that understands our services story well. We have the privilege of also bringing into our capital structure a new mezzanine investor in Peachtree with solid experience in the technology space. PNC, and both of our mezzanine investors, Peachtree and NewSpring, now form a core base of financial support for our growth platform. We are looking forward to their advice and input in key strategic and operating decisions."

John McCarty, a principal with Peachtree, added "Peachtree is excited to partner with Emtec as they expand their business and service offerings. The growth in the services and consulting segments provides an attractive complement to the legacy procurement operations. In addition, the company's strong presence in both Atlanta and the southeast region makes Emtec a logical fit for our portfolio."

Greg Chandler, CFO of Emtec, stated, "We want to thank DLL for supporting us over the years. They truly helped us get to the stage we are at and we are sure we will find other ways to work with them in the future. We have been in discussions with PNC for years and we felt we were finally at the stage where we could bring on a lender that demonstrated a unique knowledge of the IT services. We were pleased with their speed and flexibility around the terms of the facility, and their creativeness in finding unique ways to structure it to help us better serve all our clients. Peachtree was introduced to us during our capital raising process last fiscal year and we wanted to find a way for them to join us in our journey. Fortunately, NewSpring was able to work with us to add them as a co-lender in the company's mezzanine debt. With three strong financial partners we are examining new ways to grow the Company. This is an exciting time to be at Emtec."

Emtec's legal advisor was Dechert LLP and for the mezzanine raise the financial advisor was Janney Montgomery Scott LLC.

NewSpring Capital is a provider of private equity capital focused in the Mid-Atlantic region.

Emtec, Inc. provides information technology services and products to the federal, state and local government, education and commercial markets.