



**BRIGHTPOINT**  
YOUR SUCCESS IS OUR BUSINESS

## Brightpoint Reports Third Quarter 2009 Financial Results

INDIANAPOLIS, Nov 4, 2009 (GlobeNewswire via COMTEX News Network) -- Brightpoint, Inc. (Nasdaq:CELL) reported its financial results for the third quarter ended September 30, 2009. Unless otherwise noted, amounts pertain to the third quarter of 2009.

FOR THE THIRD QUARTER OF 2009:

Revenue was \$867.9 million for the third quarter of 2009, a decrease of 26% compared to the third quarter of 2008 and an increase of 21% compared to the second quarter of 2009. The increase in revenue compared to the second quarter of 2009 was primarily due to an increase in distribution revenue from the Middle East and Singapore. The decrease in revenue compared to the third quarter of 2008 was primarily due to an 11% decrease in wireless devices handled through distribution as well as lower average selling price for wireless devices handled through distribution.

Units handled were 21.6 million for the third quarter of 2009 compared to 20.1 million for the third quarter of 2008 and 19.1 million for the second quarter of 2009.

Income from continuing operations was \$14.7 million or \$0.18 per diluted share for the third quarter of 2009 compared to income from continuing operations of \$8.5 million or \$0.10 per diluted share for the third quarter of 2008 and \$3.8 million or \$0.05 per diluted share for the second quarter of 2009.

Adjusted income from continuing operations (non-GAAP) was \$10.8 million or \$0.13 per diluted share for the third quarter of 2009 compared to \$13.3 million or \$0.16 per diluted share for the third quarter of 2008 and \$10.0 million or \$0.12 per diluted share for the second quarter of 2009. Please see the disclosure below regarding adjusted income from continuing operations (non-GAAP).

Adjusted income from continuing operations (non-GAAP) of \$0.13 per diluted share for the third quarter of 2009 excludes the following expenses:

- \* \$4.0 million (pre-tax) of non-cash amortization expense related to acquired intangible assets.
- \* \$1.9 million (pre-tax) restructuring charge in connection with our previously announced 2009 spending and debt reduction plan.
- \* A \$1.5 million (pre-tax) impairment charge for our Americas division's Latin America operation's finite-lived intangible asset. That asset was recorded in connection with the acquisition of certain assets from CellStar in 2007.
- \* \$1.5 million (pre-tax) of non-cash stock based compensation expense.

Adjusted income from continuing operations (non-GAAP) of \$0.13 per diluted share for the third quarter of 2009 excludes the following tax benefits:

- \* \$9.8 million of net discrete tax benefits. In the third quarter of 2009, we recorded a benefit of \$13.1 million for the reversal of a valuation allowance on certain tax assets that are expected to be utilized in the U.S. and the reversal of a reserve on an uncertain tax position Germany that became more likely than not to be sustained. This benefit was partially offset by a \$3.3

million charge related to a valuation allowance on deferred tax assets resulting from previous net operating losses in Denmark that is no longer expected to be utilized.

\* \$3.0 million tax benefit of the excluded expenses described above.

Total debt was \$98.8 million at September 30, 2009, compared to \$96.3 million at June 30, 2009 and \$176.4 million at December 31, 2008. Total liquidity (unrestricted cash and unused borrowing availability) was \$423.0 million at September 30, 2009 compared to \$420.6 million at June 30, 2009 and \$401.2 million at December 31, 2008. Average daily debt outstanding for the third quarter of 2009 was \$150.7 million compared to average daily debt outstanding of \$165.9 million for the second quarter of 2009 and \$333.0 million for the fourth quarter of 2008.

Gross margin was 8.3% for the third quarter of 2009 compared to 7.3% for the third quarter of 2008 and 8.5% for the second quarter of 2009. The increase in gross margin compared to the third quarter of 2008 was primarily due to a higher mix of logistic services revenue as well as an improved cost structure resulting from the impact of spending reductions in our North America operations. The decrease in gross margin compared to the second quarter of 2009 was primarily due to a shift in mix of revenue from logistic services to distribution.

SG&A expenses were \$55.7 million for the third quarter of 2009 compared to \$60.5 million for the third quarter of 2008 and \$49.7 million for the second quarter of 2009. SG&A expenses were lower compared to the third quarter of 2008 primarily due to the impact of our 2008 realignment of our Europe operations as well as the impact of our 2009 Spending and Debt Reduction Plan. SG&A expenses were higher compared to the second quarter of 2009 primarily due to an increase in bad debt expense in Europe (\$2.7 million), the impact of accruing non-executive bonuses in the third quarter of 2009 (\$1.6 million) and fluctuations in foreign currency (\$1.9 million).

Interest expense, net, was \$2.1 million for the third quarter of 2009 compared to \$3.7 million for the third quarter of 2008 and \$2.5 million for the second quarter of 2009. Interest expense, net, decreased because of the positive impact of our debt reduction initiatives in 2008 and 2009 and overall lower interest rates.

Income tax benefit was \$8.2 million for the third quarter of 2009 compared to income tax expense of \$5.6 million for the third quarter of 2008. Income taxes for the three months ended September 30, 2009 included a benefit of \$13.1 million for the reversal of a valuation allowance on certain tax assets that are expected to be utilized in the U.S. and the reversal of a reserve on an uncertain tax position in Germany that became more likely than not to be sustained. This benefit was partially offset by a \$3.3 million charge related to a valuation allowance on deferred tax assets resulting from previous net operating losses in Denmark that is no longer expected to be utilized. The effective tax rate excluding these items was 24.3% for the third quarter of 2009. We expect our annual effective tax rate for the year ended December 31, 2009 excluding these items to be between approximately 28%-32%. The effective income rate excluding these items is lower than our expected annual effective tax rate due to other smaller discrete items such as income tax return true-ups.

Cash provided by operating activities was \$112.8 million for the first nine months of 2009 compared to \$312.9 million for the first nine months of 2008. Cash provided by operating activities was \$10.9 million for the three months ended September 30, 2009 compared to \$53.0 million for the three months ended September 30, 2008 and \$66.1 million for the three months ended June 30, 2009.

EBITDA was \$17.1 million for the third quarter of 2009 compared to \$24.4 million for the third quarter of 2008 and \$12.4 million for the second quarter of 2009.

"I am pleased with our third quarter results in what continues to be an extremely challenging economic environment," said Robert J. Laikin, Chairman of the Board and Chief Executive Officer of Brightpoint, Inc. "In addition to our focus on operating our business in the most disciplined financial manner, we also are focused on implementing our Europe strategy which revolves around two significant initiatives: Building 'centers of excellence' and creating a 'shared services center.' By executing the successful roll-out of these plans, we will be positioned as a leading provider of customized logistics in Europe with capabilities quite similar to what we have developed in the Americas and Asia-Pacific. Growing volumes of more predictable, higher margin and lower risk supply chain solutions business will help create an optimal balance between distribution and customized logistics business models in Europe."

"I am pleased with our sustained profitability and strong gross margin in the third quarter, despite some isolated charges in Europe," said Tony Boor, Brightpoint's Chief Financial Officer and interim President of Europe, Middle East and Africa (EMEA). "In October, we completed the repurchase of 3 million shares of Brightpoint common stock for approximately \$15.5 million and the purchase of our primary North America distribution facility for \$31 million. We financed these transactions using available borrowings under our Global Credit Facility, and as a result I am revising our fourth quarter debt reduction target. We now expect to have average daily debt of approximately \$150.0 million to \$175.0 million for the fourth quarter."

Please see the attached Schedules and the Brightpoint website at [www.Brightpoint.com](http://www.Brightpoint.com) for an explanation and reconciled presentation of the results for the third quarter ended September 30, 2009 prepared in accordance with U.S. GAAP and on an as adjusted non-GAAP basis. The explanation includes the reasons why management believes such non-GAAP measures are useful both to management and investors. Any financial measure other than those prepared in accordance with U.S. GAAP should not be considered a substitute for, or superior to, measures of financial performance prepared in accordance with U.S. GAAP. In addition, please see the attached Supplemental Information for a reconciliation of EBITDA.

The consolidated statements of operations for all periods presented reflect the reclassification of the results of operations of the Company's France, Poland and Turkey businesses as well as the Company's locally branded PC notebook business in Slovakia to discontinued operations in accordance with U.S. generally accepted accounting principles. The Company exited its France business in the third quarter of 2009 and its Poland and Turkey businesses in the first quarter of 2009. The Company exited the locally branded PC notebook business in the third quarter of 2008. Please see Brightpoint Inc.'s website at [www.Brightpoint.com](http://www.Brightpoint.com) for quarterly statements of operations for all periods that have been reclassified.

## SUBSEQUENT EVENTS

On October 1, 2009 the Company entered into a settlement agreement with NC Telecom Holding A/S ("NC Holding"), which provides for Brightpoint to purchase 3 million shares of Brightpoint common stock from NC Holding for \$15.5 million. These shares were purchased under the previously announced share repurchase program. Under the settlement agreement, the Company's indemnification claims previously made against NC Holding pursuant to the Dangaard acquisition agreement have been settled. In addition, the settlement agreement provides that NC Holding will no longer have the right to designate any candidate to be considered to serve on the Company's Board of Directors and that Thorleif Krarup has agreed to immediately resign from the Board of Directors. The Company expects to record a non-cash settlement gain of approximately \$7.7 million in other income in the fourth quarter of 2009 as a result of the settlement agreement.

In October 2009, the Company entered into an agreement to purchase its primary North America distribution facility for \$31.0 million plus closing costs and commissions. The Company was previously the tenant in an operating lease for the property. There were 10 years remaining on the initial lease term, with five year option renewal periods extending to 2044. The sum of the remaining minimum lease payments for the remaining 10 years of the initial lease term was \$43.1 million. The purchase was financed using availability on the Company's Global Credit Facility, and the Company is not currently pursuing any other financing agreement for the property.

## 2009 SPENDING AND DEBT REDUCTION PLAN UPDATE

On February 9, 2009, we announced a plan to reduce forecasted spending for the year by approximately \$40 to \$45 million. This plan is comprised of \$12 to \$14 million of cost avoidance and \$28 to \$31 million of spending reductions. The spending reduction measures included, among other things, a substantial workforce reduction of at least 220 positions, or approximately 7% of the Company's workforce. The majority of the foregoing reductions in spending are reflected in the Company's 2009 second quarter results of operations as a reduction of selling, general, and administrative expenses (SG&A).

In the third quarter of 2009, we achieved our global workforce reduction goal. Through the first nine months of 2009, we have reduced our global workforce by approximately 220 positions.

Based on our progress through the nine months ended September 30, 2009, we believe that we are on track to realize the previously stated forecasted spending reduction and cost avoidance targets excluding certain isolated charges in the third quarter of 2009. For the third quarter of 2009 SG&A expenses were \$55.7 million, which represents an increase of \$6.0 million (12%) from the second quarter of 2009, and a decrease of \$2.4 million (4%) from the fourth quarter of 2008. SG&A expense for the three months ended September 30, 2009 includes \$2.7 million of incremental bad debt expense related to various issues in Europe including losses from uncollectible customer accounts and disputed accounts in excess of insured credit limits. Included in the \$2.7 million of incremental bad debt for the three and nine months ended September 30, 2009 is a \$0.7 million charge due to an isolated incident of transactional fraud in Italy. Total charges in the results of operations for the three and nine months ended September 30, 2009 related to this fraudulent activity in Italy were \$1.2 million, comprised of \$0.7 million in SG&A and \$0.5 million in other (income) expense. We will continue to pursue collection on these receivables, however we can give no assurances that we will be successful in our efforts. Fluctuations in foreign currency negatively impacted SG&A by approximately \$1.9 million compared to the second quarter of 2009. SG&A expense for the three months ended September 30, 2009 also includes \$1.6 million of incremental expense for non-executive staff bonuses.

On May 7, 2009 we announced a revised debt reduction target of having less than \$100 million of average daily debt outstanding during the fourth quarter of 2009. As discussed above, in October 2009 we repurchased 3 million shares of our common stock for \$15.5 million and purchased our largest North America distribution facility for \$31.0 million. Both of these transactions were financed using availability on our Global Credit Facility. Because of these transactions, we are revising our estimated debt reduction and now anticipate having approximately \$150.0 million to \$175.0 million of average daily debt outstanding during the fourth quarter of 2009.

Consistent with our previous communications, we continue to focus on optimizing our European operating and financial structure which will result in additional opportunities to improve our financial performance in the European region. A main strategic component of this plan will revolve around consolidating our current warehouse facilities and creating strategically located hubs or "Centers of Excellence" to streamline our operations with the goal of becoming the low cost service provider of these industry leading logistics services in the European region.

We are making good progress on our Shared Services model where we will centralize many business support (or back office) functions in the region. By the end of 2009, we expect to have migrated certain back office functions from six European operating entities to the Shared Services Center. The remaining European operating entities are planned to be migrated to the Shared Services Center by the end of the second quarter of 2010.

We continue to evaluate the "right size" of our on-going operations in relation to desired profitability targets. We may determine that additional reductions in spending, including further reductions in workforce, may be necessary. Additional reductions in workforce and other spending could result in additional restructuring charges.

In addition, we expect to exit certain programs, channels and/or countries that are not expected to meet our ROIC target of at least 15%. As a result of exiting underperforming programs, channels and/or countries in our European region, we would expect to incur some additional restructuring charges. We will provide updates on these activities and related estimated charges, which could be material, as appropriate throughout the year. The ultimate motivation for implementing all of the initiatives discussed above is to achieve our as adjusted operating margin goal of at least 2.5% and ROIC goal of at least 15% for the European region.

(Amounts in thousands, except per share data)

	Three Months Ended		
	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	(Unaudited)	(Unaudited)	(Unaudited)
Wireless devices handled	21,637	20,078	19,115
Revenue	\$ 867,915	\$1,166,910	\$ 715,314
Gross profit	\$ 72,197	\$ 85,029	\$ 61,091
Gross margin	8.3%	7.3%	8.5%
Selling, general and administrative expenses	\$ 55,747	\$ 60,516	\$ 49,684
Operating income from continuing operations	\$ 9,020	\$ 19,071	\$ 3,767
Income from continuing operations	\$ 14,664	\$ 8,478	\$ 3,784
Net income attributable to common shareholders	\$ 11,170	\$ 5,479	\$ 167
Diluted per share:			
Income from continuing operations attributable to common shareholders	\$ 0.18	\$ 0.10	\$ 0.05
Net income attributable to common shareholders	\$ 0.14	\$ 0.06	\$ 0.01

Brightpoint, Inc. (Nasdaq:CELL) is a global leader in the distribution of wireless devices and in providing customized logistic services to the wireless industry. In 2008, Brightpoint handled approximately 84 million wireless devices globally. Brightpoint's innovative services include distribution, channel development, fulfillment, product customization, eBusiness solutions, and other outsourced services that integrate seamlessly with its customers. Brightpoint's effective and efficient platform allows its customers to benefit from quickly deployed, flexible, and cost effective solutions. The company has approximately 2,700 employees in more than 25 countries. In 2008, Brightpoint generated revenue of \$4.6 billion. Brightpoint provides distribution and customized services to over 25,000 B2B customers worldwide. Additional information about Brightpoint can be found on its website at [www.brightpoint.com](http://www.brightpoint.com), or by calling its toll-free Information and Investor Relations line at 877-IIR-CELL (877-447-2355).

Certain information in this press release may contain forward-looking statements regarding future events or the future performance of the Company. These statements are only predictions and actual events or results may differ materially. Please refer to the documents the Company files, from time to time, with the Securities and Exchange Commission; specifically, the Company's most recent Form 10-K and Form 10-Q and the cautionary statements and risk factors contained therein. These documents contain and identify important risk factors that could cause the actual results to differ materially from those contained in or implied by these forward-looking statements. These risk factors include, without limitation, uncertainties relating to customer plans and commitments, including, without limitation, (i) the current economic downturn could cause a severe disruption in our operations; (ii) fluctuations in regional demand patterns and economic factors could harm our operations; (iii) our debt facilities could prevent us from borrowing additional funds, if needed; (iv) collections of our accounts receivable; (v) our reliance on suppliers to provide trade credit facilities to adequately fund our on-going operations and product purchases; (vi) a significant percentage of our revenues are generated outside of the United States in countries that may have volatile currencies or other risks; (vii) the loss or reduction in orders from principal customers or a reduction in the prices we are able to charge these customers could cause our revenues to decline and impair our cash flows; (viii) the impact that seasonality may have on our business and results; (ix) we buy a significant amount of our products from a limited number of suppliers, and they may not provide us with competitive products at reasonable prices when we need them in the future; (x) our business could be harmed by consolidation of mobile operators; (xi) we make significant investments in the technology used in our business and rely on that technology to function effectively without interruptions; (xii) our ability to retain existing logistic services customers at acceptable returns upon expiration of existing agreements; (xiii) our future operating results will depend on our ability to maintain volumes and margins; (xiv) our ability to expand and implement our future growth strategy, including acquisitions; (xv) uncertainty regarding whether wireless equipment manufacturers and wireless network operators will continue to outsource aspects of their business to us; (xvi) our reliance upon third parties to manufacture products which we distribute and reliance upon their quality control procedures; (xvii) rapid technological changes in the wireless industry could render our services or the products we handle obsolete or less marketable; (xviii) effect of natural disasters, epidemics, hostilities or terrorist attacks on our operations; (xix) intense industry competition; (xx) our ability to manage and sustain future growth at our historical or current rates; (xxi) our ability to continue to enter into relationships and financing that may provide us with minimal returns or losses on our investments; (xxii) our ability to attract and retain qualified management and other personnel, the cost of complying with labor agreements and high rate of personnel turnover; (xxiii) protecting our proprietary information; (xxiv) our obligations under certain debt, lease and other contractual arrangements; (xxv) our dependence on our computer and communications systems; (xxvi) uncertainty regarding future volatility in our Common Stock price; (xxvii) potential dilution to existing shareholders from the issuance of securities under our long-term incentive plans; (xxviii) existence of anti-takeover measures; (xxix) acquisition related accounting impairment and amortization. Because of the aforementioned uncertainties affecting our future operating results, past performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate future results or trends. The words "believe," "expect," "anticipate," "estimate" "intend," "likely", "will", "should" and "plan" and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which speak only as of the date that such statement was made. We undertake no obligation to update any forward-looking statement.

BRIGHTPOINT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Amounts in thousands, except per share data)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Revenue				
Distribution revenue	\$ 772,815	\$1,055,928	\$2,005,441	\$3,148,827
Logistic services				

revenue	95,100	110,982	274,232	318,571
Total revenue	867,915	1,166,910	2,279,673	3,467,398
Cost of revenue				
Cost of distribution revenue	740,368	1,013,352	1,926,065	3,007,513
Cost of logistic services revenue	55,350	68,529	158,907	202,281
Total cost of revenue	795,718	1,081,881	2,084,972	3,209,794
Gross profit	72,197	85,029	194,701	257,604
Selling, general and administrative expenses	55,747	60,516	156,680	196,153
Impairment of long-lived assets	1,452	--	1,452	--
Amortization expense	4,092	4,647	11,746	14,189
Restructuring charge	1,886	795	10,707	7,378
Operating income from continuing operations	9,020	19,071	14,116	39,884
Interest, net	2,077	3,676	7,237	15,485
Other (income) expense	509	1,317	(1,057)	1,840
Income from continuing operations before income taxes	6,434	14,078	7,936	22,559
Income tax expense (benefit)	(8,230)	5,600	(7,804)	5,591
Income from continuing operations	14,664	8,478	15,740	16,968
Discontinued operations, net of income taxes:				
Loss from discontinued operations	(3,872)	(2,956)	(6,523)	(12,674)
Gain (loss) on disposal of discontinued operations	378	(9)	(953)	(5)
Total discontinued operations, net of income taxes	(3,494)	(2,965)	(7,476)	(12,679)
Net income	11,170	5,513	8,264	4,289
Net income attributable to noncontrolling interest	--	(34)	--	(366)

Net income attributable to common shareholders	\$ 11,170	\$ 5,479	\$ 8,264	\$ 3,923
	=====			

Earnings per share attributable to common shareholders - basic:

Income from continuing operations	\$ 0.18	\$ 0.11	\$ 0.19	\$ 0.22
Discontinued operations, net of income taxes	(0.04)	(0.04)	(0.09)	(0.16)
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Net income	\$ 0.14	\$ 0.07	\$ 0.10	\$ 0.06
	=====			

Earnings per share attributable to common shareholders - diluted:

Income from continuing operations	\$ 0.18	\$ 0.10	\$ 0.19	\$ 0.21
Discontinued operations, net of income taxes	(0.04)	(0.04)	(0.09)	(0.16)
	-----			
Net income	\$ 0.14	\$ 0.06	\$ 0.10	\$ 0.05
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Weighted average common shares outstanding:

Basic	81,215	78,549	81,172	77,968
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Diluted	82,048	81,250	81,827	81,545
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BRIGHTPOINT, INC.

NON-GAAP RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS

(Amounts in thousands, except per share data)

(Unaudited)

We have provided income from continuing operations and earnings per share on both a U.S. GAAP basis and on an as adjusted non-GAAP basis because the Company's management believes it provides meaningful information to investors. Among other things, it may assist investors in evaluating the Company's on-going operations. Adjustments to earnings per share from continuing operations generally include certain non-cash charges such as stock based compensation and amortization of acquired finite lived intangible assets as well as other items that are considered to be unusual or infrequent in nature such as goodwill impairment charges and restructuring charges. The specific items excluded with respect to our third quarter non-GAAP income from continuing operations per share are stock-based compensation expense, amortization expense, long-lived asset impairment charge, restructuring charge and certain discrete tax items. The Company considers these items unrelated to its core operating performance, and believes that use of this non-GAAP measure allows comparison of operating results that are consistent over time. Non-GAAP earnings per share is calculated by dividing non-GAAP income from continuing operations by non-GAAP weighted average common shares outstanding (diluted). For purposes of calculating non-GAAP earnings per share, we add back certain shares presumed to be repurchased under the U.S. GAAP treasury stock method related to stock based compensation expense. We believe these non-GAAP disclosures provide important supplemental information to management and investors regarding financial and business trends relating to the Company's

financial condition and results of operations. Management uses these non-GAAP measures internally to evaluate the performance of the business and to evaluate results relative to incentive compensation targets for certain employees. Investors should consider non-GAAP measures in addition to, not as a substitute for, or as superior to measures of financial performance prepared in accordance with U.S. GAAP.

	Three Months Ended September 30,			
	2009		2008	
	Income from continuing operations (1)	Impact per diluted share	Income from continuing operations (2)	Impact per diluted share
GAAP income from continuing operations	\$ 14,664	\$ 0.18	\$ 8,478	\$ 0.10
Non-GAAP adjustments:				
Stock based compensation	1,531	0.02	1,574	0.02
Amortization	3,994	0.05	4,553	0.06
Finite-lived intangible asset impairment	1,452	0.02	--	--
Restructuring charge	1,886	0.02	795	0.01
Income tax impact of the above	(2,959)	(0.04)	(2,122)	(0.03)
Discrete income tax items	(9,793)	(0.12)	--	--
As-adjusted (non-GAAP) income from continuing operations	\$ 10,775	\$ 0.13	\$ 13,278	\$ 0.16
As-adjusted (non-GAAP) weighted average common shares outstanding - diluted(5):		83,881		82,368

	Nine Months Ended September 30,			
	2009		2008	
	Income from continuing operations (3)	Impact per diluted share	Income from continuing operations (4)	Impact per diluted share
GAAP income from continuing operations	\$ 15,740	\$ 0.19	\$ 16,968	\$ 0.21
Non-GAAP adjustments:				
Stock based compensation	4,848	0.06	4,991	0.06
Amortization	11,443	0.14	13,772	0.17
Finite-lived intangible asset impairment	1,452	0.02	--	--
Restructuring charge	10,707	0.13	7,378	0.09
Income tax impact of the above	(9,040)	(0.11)	(7,892)	(0.10)

Discrete income tax items	(9,793)	(0.12)	--	--
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As-adjusted (non-GAAP) income				
from continuing operations	\$ 25,357	\$ 0.30	\$ 35,217	\$ 0.43

As-adjusted (non-GAAP)				
weighted average common				
shares outstanding -				
diluted(5):		84,006		82,471

(1) Adjusted income from continuing operations (non-GAAP) for the third quarter of 2009 excludes the following expenses:

- \* A \$1.9 million (pre-tax) restructuring charge in connection with our previously announced 2009 spending and debt reduction plan.
- \* \$4.0 million (pre-tax) of non-cash amortization expense related to acquired intangible assets.
- \* A \$1.5 million (pre-tax) impairment charge for our Latin America operation's finite-lived intangible asset. The asset was recorded in connection with the acquisition of certain assets of CellStar in 2007. In the third quarter of 2009, our Latin America operation lost a significant product distribution business, and we determined that the carrying value of the asset was not recoverable.
- \* \$1.5 million (pre-tax) of non-cash stock based compensation expense.

Adjusted income from continuing operations (non-GAAP) for the third quarter of 2009 excludes the following tax benefits:

- \* \$3.0 million tax benefit of the excluded expenses described above.
- \* \$9.8 million of net discrete tax benefit. In the third quarter of 2009, we recorded a benefit of \$13.1 million for the reversal of a valuation allowance on certain tax assets that are expected to be utilized in the U.S. and the reversal of a reserve on an uncertain tax position Germany that became more likely than not to be sustained. This benefit was partially offset by a \$3.3 million charge related to a valuation allowance on deferred tax assets resulting from previous net operating losses in Denmark that is no longer expected to be utilized.

(2) Adjusted income from continuing operations (non-GAAP) for the third quarter of 2008 excludes the following expenses:

- \* A \$0.8 million (pre-tax) restructuring charge consisting primarily of a \$0.2 million charge in connection with the previously announced sale of certain assets in Colombia as well as \$0.6 million of restructuring charges associated with the previously announced realignment of our European operations.
- \* \$4.5 million (pre-tax) of non-cash amortization expense related to acquired intangible assets.
- \* \$1.6 million (pre-tax) of non-cash stock based compensation expense.

Adjusted income from continuing operations (non-GAAP) for the third quarter of 2008 excludes the following tax benefits:

- \* \$2.2 million tax benefit of the excluded expenses described above.

(3) Adjusted income from continuing operations (non-GAAP) for the nine months ended September 30, 2009 excludes the following

expenses:

- \* A \$10.7 million (pre-tax) restructuring charge in connection with our previously announced 2009 spending and debt reduction plan.
- \* \$11.4 million (pre-tax) of non-cash amortization expense related to acquired intangible assets.
- \* A \$1.5 million (pre-tax) impairment charge for our Latin America operation's finite-lived intangible asset recorded in connection with the acquisition of certain assets of CellStar in 2007. In the third quarter of 2009, our Latin America operation lost a significant product distribution business, and we determined that the carrying value of the asset was not recoverable.
- \* \$4.8 million (pre-tax) of non-cash stock based compensation expense.

Adjusted income from continuing operations (non-GAAP) for the nine months ended September 30, 2009 excludes the following tax benefits:

- \* \$9.0 million tax benefit of the excluded expenses described above.
- \* \$9.8 million of net discrete tax benefit. In the third quarter of 2009, we recorded a benefit of \$13.1 million for the reversal of a valuation allowance on certain tax assets that are expected to be utilized in the U.S. and the reversal of a reserve on an uncertain tax position Germany that became more likely than not to be sustained. This benefit was partially offset by a \$3.3 million charge related to a valuation allowance on deferred tax assets resulting from previous net operating losses in Denmark that is no longer expected to be utilized.

(4) Adjusted income from continuing operations (non-GAAP) for the nine months ended September 30, 2008 excludes the following expenses:

- \* A \$7.4 million restructuring charge (pre-tax) consisting primarily of a \$1.8 million charge in connection with the previously announced sale of certain assets in Colombia, a \$1.1 million charge to write-off IT projects that were abandoned after the acquisition of Dangaard Telecom and a \$3.6 million charge in connection with consolidating the Brightpoint and Dangaard operations in Germany during the first quarter of 2008 and \$0.9 million of other charges in connection with the previously announced realignment of our European operations.
- \* \$13.8 million (pre-tax) of non-cash amortization expense related to acquired intangible assets.
- \* \$5.0 million (pre-tax) of non-cash stock based compensation expense.

Adjusted income from continuing operations (non-GAAP) for the nine months ended September 30, 2008 excludes the following tax benefits:

- \* \$7.9 million tax benefit of the excluded expenses described above.

(5) Weighted average common shares outstanding - diluted for the three months ended September 30, 2009 and 2008 includes the effect of 1.8 million (2009) and 1.1 million (2008) common shares outstanding that are presumed to be repurchased under the U.S. GAAP treasury stock method related to stock based compensation expense. Weighted average common shares outstanding - diluted for the nine months ended September 30, 2009 and 2008 includes the effect of 2.2 million (2009) and

0.9 million (2008) common shares outstanding that are presumed to be repurchased under the U.S. GAAP treasury stock method related to stock based compensation expense.

BRIGHTPOINT, INC.

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands, except per share data)

	September 30,	December 31,
	----- 2009 -----	----- 2008 -----
	(Unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 80,259	\$ 57,226
Accounts receivable (less allowance for doubtful accounts of \$12,420 in 2009 and \$11,217 in 2008)	351,916	499,541
Inventories	183,272	290,243
Other current assets	71,521	61,392
Total current assets	----- 686,968	----- 908,402
Property and equipment, net	58,209	56,463
Goodwill	51,830	51,439
Other intangibles, net	102,506	107,286
Other assets	32,932	22,770
Total assets	----- \$ 932,445 =====	----- \$ 1,146,360 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 405,303	\$ 534,906
Accrued expenses	103,679	137,957
Current portion of long-term debt	--	--
Lines of credit and other short-term borrowings	1,063	798
Total current liabilities	----- 510,045	----- 673,661
Long-term liabilities:		
Lines of credit, long-term	--	1,501
Long-term debt	97,761	174,106
Other long-term liabilities	43,964	46,528
Total long-term liabilities	----- 141,725	----- 222,135
Total liabilities	----- 651,770	----- 895,796
Commitments and contingencies		

Shareholders' equity:		
Preferred stock, \$0.01 par value: 1,000 shares authorized; no shares issued or outstanding	--	--
Common stock, \$0.01 par value: 100,000 shares authorized; 89,236 issued in 2009 and 88,730 issued in 2008	892	887
Additional paid-in-capital	629,479	625,415
Treasury stock, at cost, 7,294 shares in 2009 and 7,063 shares in 2008	(61,333)	(59,983)
Retained deficit	(304,383)	(312,647)
Accumulated other comprehensive income (loss)	16,020	(3,108)
	-----	-----
Total shareholders' equity	280,675	250,564
	-----	-----
Total liabilities and shareholders' equity \$	932,445	\$ 1,146,360
	=====	=====

BRIGHTPOINT, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Amounts in thousands)  
(Unaudited)

	Nine Months Ended September 30,	
	2009	2008
	-----	-----
Operating activities		
Net income	\$ 8,264	\$ 4,289
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26,540	28,249
Impairment of long-lived assets	1,452	--
Non-cash compensation	4,865	4,991
Restructuring charge	11,353	7,483
Change in deferred taxes	(18,148)	(13,910)
Other non-cash	1,552	(910)
Changes in operating assets and liabilities, net of effects from acquisitions and divestitures:		
Accounts receivable	174,370	197,999
Inventories	117,523	160,193
Other operating assets	1,244	(7,935)
Accounts payable and accrued expenses	(216,253)	(67,563)
	-----	-----
Net cash provided by operating activities	112,762	312,886
Investing activities		
Capital expenditures	(14,621)	(16,064)
Acquisitions, net of cash acquired	--	(5,878)
Decrease (increase) in other assets	(1,094)	768
	-----	-----
Net cash used in investing activities	(15,715)	(21,174)
Financing Activities		
Net repayments on lines of credit	(537)	(213,843)
Repayments on Global Term Loans	(75,752)	(67,076)
Deferred financing costs paid	(392)	(212)
Purchase of treasury stock	(1,349)	(1,288)

Excess (deficient) tax benefit from equity based compensation	(1,035)	118
Proceeds from common stock issuances under employee stock option plans	216	39
	-----	-----
Net cash used in financing activities	(78,849)	(282,262)
Effect of exchange rate changes on cash and cash equivalents	4,835	(10,410)
	-----	-----
Net (decrease) increase in cash and cash equivalents	23,033	(960)
Cash and cash equivalents at beginning of period	57,226	102,160
	-----	-----
Cash and cash equivalents at end of period	\$ 80,259	\$ 101,200
	=====	=====

Supplemental Information  
(Amounts in thousands)

Earnings Before Interest, Taxes, Depreciation and Amortization  
("EBITDA")

	Three Months Ended		
	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Net income(1)	\$ 11,170	\$ 5,479	\$ 167
Net interest expense(1)	2,084	4,470	2,490
Income taxes(1)	(7,158)	5,528	1,201
Depreciation and amortization(1)	10,994	8,914	8,590
	-----	-----	-----
EBITDA	\$ 17,090	\$ 24,391	\$ 12,448
	=====	=====	=====

(1) Includes discontinued operations

EBITDA is a non-GAAP financial measure. Management believes EBITDA provides it with an indicator of how much cash the Company generates, excluding non-cash charges and any changes in working capital. Management also reviews and utilizes the entire statement of cash flows to evaluate cash flow performance.

Cash Conversion Cycle Days

Management utilizes the cash conversion cycle days metric and its components to evaluate the Company's ability to manage its working capital and its cash flow performance. Cash conversion cycle days and its components for the quarters ending September 30, 2009 and 2008, and June 30, 2009 were as follows:

	Three Months Ended		
	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Days sales outstanding in accounts receivable	27	29	31
Days inventory on-hand	18	25	24
Days payable outstanding	(35)	(43)	(44)
	-----	-----	-----

Cash Conversion Cycle Days	10	11	11
	=====	=====	=====

The decrease in days inventory on hand was primarily due to increased business through our Singapore and Middle East operations compared to the same period in the prior year. These businesses typically have lower working capital requirements than the rest of our operations. Excluding the impact of these businesses, days inventory on hand were 25 days and the cash conversion cycle was 16 days for the three months ended September 30, 2009.

Please see the Brightpoint website at [www.Brightpoint.com](http://www.Brightpoint.com) for a detailed calculation of cash conversion cycle days for the three months ended September 30, 2009.

Supplemental Information (continued)  
(Amounts in thousands)

Return on Invested Capital ("ROIC")

Management uses ROIC to measure the effectiveness of its use of invested capital to generate profits. ROIC for the quarters and trailing four quarters ended September 30, 2009 and 2008, and June 30, 2009, was as follows:

	Three Months Ended		
	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Operating income after taxes (non-GAAP):			
Operating income from continuing operations	\$ 9,020	\$ 19,071	\$ 3,767
Plus: restructuring charge	1,886	795	3,735
Less: estimated income taxes(1)	(3,817)	(6,953)	(2,626)
	-----	-----	-----
Operating income after taxes (non-GAAP)	\$ 7,089	\$ 12,913	\$ 4,876
	=====	=====	=====
Invested Capital:			
Debt	\$ 98,824	\$ 185,483	\$ 96,295
Shareholders' equity	280,675	623,967	258,572
	-----	-----	-----
Invested capital	\$ 379,499	\$ 809,450	\$ 354,867
	=====	=====	=====
Average invested capital(2)	\$ 367,182	\$ 864,261	\$ 365,961
ROIC(3)	8%	6%	5%

	Trailing Four Quarters Ended		
	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Operating income after taxes (non-GAAP):			
Operating income (loss) from continuing operations	\$(304,231)	\$ 68,410	\$(294,180)
Plus: restructuring charge	16,766	15,873	15,675
Plus: goodwill impairment charge	325,947	--	325,947
Less: estimated income taxes(1)	(13,469)	(29,499)	(16,605)
	-----	-----	-----

Operating income after taxes (non-GAAP)	\$ 25,013	\$ 54,784	\$ 30,837
	=====	=====	=====
Invested Capital:			
Debt	\$ 98,824	\$ 185,483	\$ 96,295
Shareholders' equity	280,675	623,967	258,572
	-----	-----	-----
Invested capital	\$ 379,499	\$ 809,450	\$ 354,867
	=====	=====	=====
Average invested capital(2)	\$ 469,568	\$ 957,313	\$ 577,483
ROIC(3)	5%	6%	5%

- (1) Estimated income taxes were calculated by multiplying the sum of operating income from continuing operations, the restructuring charge and the goodwill impairment charge by an effective tax rate of 35%, which represents an estimated, blended statutory tax rate for the markets in which we operate.
- (2) Average invested capital for quarterly periods represents the simple average of the beginning and ending invested capital amounts for the respective quarter. Average invested capital for the trailing four quarters represents the simple average of the invested capital amounts for the current and four prior quarter period ends.
- (3) ROIC is calculated by dividing non-GAAP operating income after taxes by average invested capital. ROIC for quarterly periods is stated on an annualized basis and is calculated by dividing operating income after taxes by average invested capital and multiplying the results by four.

We exclude unusual items such as restructuring charges from our calculation of "Operating income after taxes (non-GAAP)" because we do not believe such items are representative of expected future returns. Therefore, we believe decisions to allocate resources should not be influenced by such items.

Supplemental Information (continued)  
(Amounts in thousands)

#### Return on Tangible Capital ("ROTC")

Management uses Return on Tangible Capital, or ROTC, to provide a measurement which can be consistently and fairly applied internally to all operating entities to determine the effectiveness of each entity's usage of tangible capital. ROTC eliminates the influence of intangible assets balances (and related amortization expense), cash transfer capabilities and income tax rates which vary amongst Brightpoint operating entities and are not controllable by operating entity management. We exclude unusual items such as restructuring charge from our calculation of "Operating income before amortization and restructuring charges (non-GAAP)" because we do not believe such items are controllable by operating entity management or representative of expected future returns. Therefore, we believe decisions to allocate resources should not be influenced by such items. ROTC indicates the return which can be expected on the tangible capital consumed and replaced through the normal business cycle. To calculate ROTC, operating income from continuing operations is adjusted for restructuring charges, goodwill impairment charge and amortization of intangible assets, and this adjusted non-GAAP operating income is applied to average tangible capital. Average tangible capital is calculated as total assets less cash, investments, goodwill, and intangible assets, net of current liabilities excluding short term borrowings. The details of this measurement are outlined below.

Three Months Ended

-----

	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Operating income before amortization and restructuring charges (non-GAAP):			
Operating income from continuing operations	\$ 9,020	\$ 19,071	\$ 3,767
Plus: amortization expense	4,092	4,647	3,905
Plus: restructuring charge	1,886	795	3,735
	-----	-----	-----
Operating income before amortization and restructuring charges (non-GAAP):	\$ 14,998	\$ 24,513	\$ 11,407
	=====	=====	=====
Tangible capital:			
Total assets	\$ 932,445	\$1,625,821	\$ 918,919
Less: cash and cash equivalents	79,862	100,670	76,868
Less: goodwill	51,830	389,005	51,686
Less: other intangibles, net	102,506	118,619	102,581
	-----	-----	-----
Net tangible assets	\$ 698,247	\$1,017,527	\$ 687,784
Total current liabilities	508,983	762,490	523,680
Less: current portion of long-term debt	--	1,190	--
Less: lines of credit and other short term borrowings	1,063	13	18
	-----	-----	-----
Net current liabilities	\$ 507,920	\$ 761,287	\$ 523,662
	-----	-----	-----
Net tangible capital	\$ 190,327	\$ 256,240	\$ 164,122
	=====	=====	=====
Average tangible capital(1)	\$ 177,224	\$ 294,146	\$ 191,455
ROTC(2)	34%	33%	24%

#### Trailing Four Quarters

	Sept. 30, 2009	Sept. 30, 2008	June 30, 2009
	-----	-----	-----
Operating income before amortization and restructuring charges (non-GAAP):			
Operating income (loss) from continuing operations	\$ (304,231)	\$ 68,410	\$ (294,180)
Plus: amortization expense	15,802	20,080	16,357
Plus: goodwill impairment charge	325,947	--	325,947
Plus: restructuring charge	16,766	15,873	15,675
	-----	-----	-----
Operating income before amortization and restructuring charges (non-GAAP):	\$ 54,284	\$ 104,363	\$ 63,799
	=====	=====	=====
Tangible capital:			
Total assets	\$ 932,445	\$1,625,821	\$ 918,919
Less: cash and cash equivalents	79,862	100,670	76,868
Less: goodwill	51,830	389,005	51,686

Less: other intangibles, net	102,506	118,619	102,581
	-----	-----	-----
Net tangible assets	\$ 698,247	\$1,017,527	\$ 687,784
Total current liabilities	508,983	762,490	523,680
Less: current portion of long-term debt	--	1,190	--
Less: lines of credit and other short term borrowings	1,063	13	18
	-----	-----	-----
Net current liabilities	\$ 507,920	\$ 761,287	\$ 523,662
	-----	-----	-----
Net tangible capital	\$ 190,327	\$ 256,240	\$ 164,122
	=====	=====	=====
Average tangible capital(1)	\$ 217,683	\$ 437,428	\$ 246,028
ROTC(2)	25%	24%	26%

(1) Average tangible capital for quarterly periods represents the simple average of the beginning and ending tangible capital amounts for the respective quarter.

(2) ROTC is calculated by dividing non-GAAP operating income before amortization and restructuring charges by average tangible capital. ROTC for quarterly periods is stated on an annualized basis and is calculated by dividing non-GAAP operating income before amortization and restructuring charges by average tangible capital and multiplying the results by four.

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SOURCE: Brightpoint, Inc.

CONTACT: Brightpoint  
Anthony Boor  
877-447-2355  
[www.brightpoint.com](http://www.brightpoint.com)

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