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Media Contact:
Michiko Morales
Global Communicators
Office: (202) 371-9600
Cell: (703) 585-4031
michikomorales@globalcommunicators.com

Dataline Holding, Inc. to Sell Federal IT Business

Dataline Holding plans to focus on and advance its commercial IT consulting business, Dataline Consulting Services, LLC

Norfolk, Va., -- Dataline Holding, Inc., an IT consulting services company, announced today that it has sold its federal services business, Dataline, Inc., to DLN Holdings LLC, an affiliate of The White Oak Group, an Atlanta, Georgia based private equity firm focused on investments in the aerospace and defense industry. Dataline Holding, Inc. will retain ownership of its commercial IT division, Dataline Consulting Services, LLC. The divestiture will allow the Company to focus its energies on the expansion of the existing commercial IT business that has been the company's legacy since its founding in 1990.

Capitalizing on its strong industry expertise, The White Oak Group has charted aggressive expansion plans for Dataline, Inc., which will serve as a platform for additional acquisitions in the federal services marketplace in the coming years.

"We carefully selected a buyer that was well-suited to provide opportunities for the existing employees and lead our federal business to continued growth," said Denise Robinson, president of Dataline Holding, Inc. "With the sale of our federal business, we are well-positioned to invest in and continuously expand our commercial business with the same focus toward customer service and employee retention that we have always maintained."

Chris Melton, Managing Member of DLN Holdings LLC, commented, "we are excited to be an investor in, and a partner with, the Dataline, Inc. management team. Dataline has an excellent reputation in the industry and its expertise in critical areas such as disaster recovery, IT security common communications solutions and end-to-end network design and support, position the Company for strong growth."

The corporate headquarters of Dataline, Inc. will remain in Norfolk, Virginia.

Dataline Consulting Services, an IT consulting services company, specializes in delivering customized, creative IT solutions for customers in the commercial business sectors. The company was founded in 1990 and now employs more than 300 professionals. Dataline Consulting Services is headquartered in Norfolk, VA, with branch offices in Charlotte, NC; Richmond, VA; and Gaithersburg, MD. For additional information, visit www.datalinecs.com

Dataline Inc. is an information technology systems integrator, delivering dynamic solutions to Federal government and agencies, including organizations under the DoD, such as military services and subordinate commands, and non-DoD organizations such as the DHS, the FAA and the FBI. Dataline designs and supports highly customized IT and engineering solutions to its customers, integrating hardware and software components into a workable end-to-end solution. The Company's service offerings include architecture and design for communication and IT networks; systems integration and implementation; disaster recovery; and systems support and upgrades. For additional information, visit www.dataline.com

The Aerospace•Defense•Government Industry Group of Houlihan Lokey, an international middle-market investment bank, served as financial advisor to Dataline and negotiated and structured the transaction on its behalf.