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3-month-report 2004

Product purchasement

Consulting

Integration

IT services

Outsourcing

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BECHTLE

Key figures of the Bechtle Group in the three-months 2004 (2003) according to U.S. GAAP

		1 January to 31 March 2004	1 January to 31 March 2003	Change in %
Consolidated profit and loss account				
Revenues	TEuro	248,379	172,882	43.7
EBITDA	TEuro	10,863	5,441	99.7
EBITA (before established clientele amortization)	TEuro	8,473	3,914	116.5
EBITA	TEuro	8,121	3,777	115.0
EBIT	TEuro	8,121	3,777	115.0
EBT	TEuro	8,077	3,844	110.1
Net result for the period	TEuro	4,937	2,566	92.4
Business operating figures				
Earnings per share	Euro	0.2396	0.1307	83.3
Cash flow from operating activities per share	Euro	-0.1952	0.3768	-151.8
Number of employees as at 31.03. *)		3,149	2,250	40.0
Financial position and liquidity				
Cash flow from operating activities	TEuro	-4,023	7,395	-154.4
Net liquidity as at 31.03.	TEuro	1,674	16,892	-90.1

*) including trainees

Review by quarter 2004

	1st quarter 01.01. to 31.03.2004 TEuro	2nd quarter 01.04. to 30.06.2004 TEuro	3rd quarter 01.07. to 30.09.2004 TEuro	4th quarter 01.10. to 31.12.2004 TEuro	**Financial year 2004 01.01. to 31.12.2004 TEuro**
Revenues	**248,379**				**248,379**
EBITDA	**10,863**				**10,863**
Depreciation	2,390				2,390
EBITA (before established clientele amortization)	**8,473**				**8,473**
Established clientele amortization	352				352
EBITA	**8,121**				**8,121**
Goodwill amortization	0				0
EBIT	**8,121**				**8,121**
Financial result	-44				-44
EBT	**8,077**				**8,077**
Income tax	3,166				3,166
Minority interest	26				26
Net income for period	**4,937**				**4,937**

Segment disclosures

System integration		1 January to 31 March 2004	1 January to 31 March 2003	Change in %
Profit and loss account				
Revenues	TEuro	160,909	127,664	26.0
EBITDA	TEuro	5,130	2,841	80.6
EBIT	TEuro	3,039	1,377	120.7
Number of employees as at 31.03.		2,653	2,020	31.3

eCommerce		1 January to 31 March 2004	1 January to 31 March 2003	Change in %
Profit and loss account				
Revenues	TEuro	87,470	45,218	93.4
EBITDA	TEuro	5,733	2,600	120.5
EBIT	TEuro	5,082	2,400	111.8
Number of emloyees as at 31.03.		496	230	115.7

The share

Opening price on 02.01.2004 (Xetra)	Euro	10.30
Closing price on 31.03.2004 (Xetra)	Euro	12.89
Share price performance compared to TecDax as at 31.03.2004 (Xetra)		+ 15.5
Share price performance compared to SDax as at 31.03.2004 (Xetra)		+ 11.8
Share price performance compared to CDax as at 31.03.2004 (Xetra)		+ 26.9
Quarter high (Xetra)	Euro	15.47
Quarter low (Xetra)	Euro	10.20
Trading volume from 01 January until 31 March 2004	Euro	2,901,500
Position of Bechtle AG in the March rankings on the German Stock Exchange on the basis of free-float market cap		24
Position of Bechtle AG in the March rankings on the German Stock Exchange on the basis of trading volume in Euro		39
Market capitalization (Freefloat) as at 31.03.2004	Mio. Euro	130.2
Market capitalization (total) as at 31.03.2004	Mio. Euro	273.3
Number of issued shares		21,200,000
Freefloat (31.03.2004)	%	47.64
Number of outstanding and entitled of full dividend payout shares		21,200,000
Number of weighted average shares		20,606,593
Segment		Prime Standard
Security identification code		515 870
ISIN		DE 000 515 870 3
Date of listing		30.03.2000

Albert Müller,
Chief Executive Officer
of Bechtle Data AG

Emilio Jodeit,
Executive Board
Member

A wind tunnel for the computer centre – the IT Lab of Bechtle Data

Boats, planes and automobiles – engineers always test their designs in the laboratory and in a wind tunnel before the start of an expensive production process. So really it makes sense to do the same for costly computer centre installations. Thus we come to the gap in the market so successfully bridged by the Swiss company Bechtle Data AG, based in Regensdorf.

"I don't know anyone else in Switzerland who does it." The pride is evident when Albert Müller, the Chief Executive Officer of Bechtle Data, gets to talk about their distinctive 'IT Lab'. At Bechtle Data, computer centres to which new computers or updated software are to be added later are built one-to-one in the IT Lab. "This enables us to state very quickly how a new product will run at home", explains Emilio Jodeit, Executive Board member.

Swiss locations of system integration of the Bechtle-Group (Bechtle-Data and Comsyt)

Bechtle Data's clientele is not just composed of bank and corporate computer centres; it also includes software and hardware manufacturers of all sizes who are looking to sell to these computer centres. Even SAP, HP or IBM sometimes have to prove to their customers that a new product will integrate seamlessly into their IT environment and no IT manager is keen on giving their existing system the guinea pig treatment.

"We take a lot of the risk out of a project," emphasised Albert Müller, "and we are unique in offering the chance to test the best systems side by side." Yet another benefit of the IT Lab: at Bechtle Data, a customer is able to directly compare the performance of two systems; no one would think of assembling two parallel IT environments in real life, however.

Main office
Bechtle Data AG

IT Lab of
Bechtle Data AG

Previously a division of Eurodis Schweiz AG, the 45-strong workforce at Bechtle Data AG have become assimilated into the Bechtle Group, which they joined at the beginning of 2002, without any problems. The employees are happy, as is obvious from the low staff turnover. “We’ve got the conditions just right here”, said Emilio Jodeit with a smile, and he doesn’t just mean the working conditions. Alongside the IT Lab, Bechtle Data also provides on site customer service, “but unlike most Bechtle system houses, we only work where there’s air conditioning!” quipped Müller; Bechtle Data focus their service on tasks in the computer centre. The company is also well-known for server and storage consolidation as well as migration.

Although the IT sector has been affected by sustained recession for four years now, business at Bechtle Data is brisk and continues to do well. Even Albert Müller’s idiosyncratic business indicator is positive – the CEO’s office faces onto the Swiss railway lines – “when the goods trains get longer, business is looking up. I observe this since 14 years”. Boasting just under 15 years of service, Müller is definitely one of the old hands, yet the roots of Bechtle Data AG go back even further than that. Established over fifty years ago as W. Moor AG, the company became a subsidiary of Moor Cim Systems AG in 1984, acquired by the British firm Eurodis in 1996. Six years later, in January 2002, Bechtle took over the data division.

The deeply rooted, decentralised Bechtle philosophy ensures that Bechtle Regensdorf maintains the winning formula that sums up its success: a Swiss company with established local culture, Swiss employees and independent management with full corporate responsibility on location.

Daniel Huber

1. Environment

1.1 Macroeconomic environment and economic situation

Various economic data published in recent months, including the April report of the European Central Bank (ECB), confirm a stable global economic development for the first quarter of 2004. According to the ECB, however, real gross domestic product in the Euro currency region has only recovered slowly in 2004. According to surveys by the European Commission, the outlook on production in the manufacturing industry and demand for services have continued to improve in the first quarter of 2004. This contrasts with the conservative estimates given by the industry associations.

The upward trend which began in Germany last summer also continued in the first quarter 2004, albeit only tentatively. According to initial calculations of the Deutsche Bundesbank, real gross domestic product (adjusted for seasonal and calendar effects) could have increased slightly by 0.25 percent during the first three months. Impetus was provided by foreign trade, while domestic demand continues to be sluggish. The Bundesbank has thus dampened hopes of a strong economic recovery from the outset.

1.2 IT industry

According to the Gartner market research institute, global PC revenues increased by 13.4 percent in the first quarter 2004 compared to the same period in the previous year. However, an estimate of real growth cannot be given at present due to the inavailability of information on the nominal market trend. According to the Semiconductor Industry Association (SIA), month-on-month revenues of chip makers even climbed 30.8 percent in February 2004 compared to February of the previous year.

According to the Ifo Institute, there are now signs of a slight economic recovery in the German IT market. In the quarterly Ifo survey of German IT service providers in January and February 2004, the majority of companies surveyed gave a positive assessment of the current situation. The Ifo analysis also revealed that large companies with annual revenues of more than 100 million Euro have emerged from the crisis as winners, while smaller companies are having to contend with declining order receipts, insufficient backlog and falling revenues.

According to the „Computerpartner“ journal, the general readiness of small and medium-sized companies in Germany to invest in information and communication technology has improved slightly in the first quarter, nevertheless the individual sectors communications, hardware and service do not present a homogeneous picture. According to a study published by the Gartner market research company, the German market for PCs, notebooks and PC servers grew by a nominal 2.5 percent in the corporate client segment during the first quarter. However, no information on the development of revenues volume is currently available.

2. Business development

2.1 Revenues development

The revenues of the Bechtle Group increased by 43.7 percent to 248.38 million Euro compared to the same period of the previous year (previous year: 172.88). The ARP Group (consolidated as of 01 January 2004) and the Swiss company ALSO Comsyt AG (consolidated as of February 2004) acquired on 01 February 2004 accounted for approximately 42 million Euro, while the PSB Group (consolidated as of April 2003) contributed approximately 25 million Euro. Organic growth was approximately four percent. In particular the high number of working days during the first quarter had a beneficial effect on revenues development.

IT system house
The system houses in the European German-speaking region generated revenues of 160.91 million Euro in the first quarter (Q1/03: 127.66 million Euro), corresponding to an increase of 26.1 percent. This growth was mainly achieved by way of acquisitions. The PSB system houses and Comsyt jointly contributed approximately 27 million Euro. Organic growth was just under five percent.

IT eCommerce
In the eCommerce segment, Bechtle posted revenues of 87.47 million Euro in the first quarter (Q1/03: 45.22 million Euro), corresponding to an increase of 93.4 percent. The total revenues growth of approximately 41 million Euro can be primarily attributed to TomTech, a member of the PSB Group, as well as the ARP Group. Ex acquisitions, growth would have been two percent.

2.2 Earnings development

Bechtle more than doubled its pre-tax earnings (EBT) compared to the same period of the previous year to 8.08 million Euro (Q1/03: 3.84 million Euro), corresponding to an increase of 110.4 percent. A significant contribution to earnings growth was made by the Swiss companies ARP Group and Comsyt, which together contributed approximately 2.2 million Euro. The figures include the earnings of the PSB Group, which posted a break-even result. The organic growth is particularly attributable to improved purchasing terms and better utilization of service personnel combined with a reduction in personnel costs. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) increased by 99.6 percent to 10.86 million Euro (Q1/03: 5.44 million Euro), while Earnings Before Interest, Taxes and Amortization (EBITA) before goodwill amortization grew by 116.6 percent to 8.47 million Euro (Q1/03: 3.91 million Euro).

During the first three months of 2004, Bechtle posted an 114.8 percent increase in Earnings Before Interest and Taxes (EBIT) to 8.12 million Euro (Q1/03: 3.78 million Euro). The net income of 4.91 million Euro during this period was 91.1 percent above the previous year (Q1/03: 2.57 million Euro). The relatively high taxation ratio of 39.2 percent results from depreciation of deferred tax assets in the amount of 0.48 million Euro in the case of the PSB Group. Without these special effects, tax expenditure would have been 2.69 million Euro, which corresponds to a taxation ratio of 33.3 percent. Earnings per share rose 83.3 percent to 0.24 Euro compared the same period of the previous year (Q1/03: 0.13 Euro). The average number of shares (diluted/undiluted) in issue at 31 March 2004 was 20,606,593 as compared to 19,626,012 in the previous year.

IT system house
The earnings contribution (EBIT) of the IT system house segment increased by 120.3 percent to 3.04 million Euro during the first quarter (Q1/03: 1.38 million Euro). The IT system houses of the PSB Group had a negative effect on earnings of approximately 0.4 million Euro. The EBITDA rose strongly by 80.6 percent to 5.13 million Euro (Q1/03: 2.84 million Euro). The EBITA was up 120.3 percent to 3.04 million Euro (Q1/03: 1.38 million Euro) and EBITA before goodwill amortization grew 117.6 percent to 3.22 million Euro (Q1/03: 1.48 million Euro).

IT eCommerce
The EBIT of the eCommerce segment improved 111.7 percent to 5.08 million Euro (Q1/03: 2.40 million Euro). The increase in earnings was wholly attributable to the earnings contributed by the ARP Group and TomTech. The EBITDA improved 120.4 percent to 5.73 million Euro (Q1/03: 2.60 million Euro). The EBITA 111.7 percent to 5.08 million Euro (Q1/03: 2.40 million Euro). The EBITA before goodwill amortization developed equally well, growing by 115.2 percent to 5.25 million Euro (Q1/03: 2.44 million Euro).

2.3 Asset and capital structure

Liquidity at 31 March 2004 amounted to 29.7 million Euro (31.12.2003: 33.7 million Euro). After deduction of liabilities, this translates to a net liquidity of 1.7 million Euro. The reduction is principally due to the outflow of funds in connection with the acquisition of the ARP Group. With undrawn credit lines amounting to 42.9 million Euro, the Group has sufficient liquidity in reserve to undertake future expansions and acquisitions.

The equity ratio decreased from 64.7 percent to 59.6 percent, in particular due to a balance sheet extension in connection with acquisition activities.

2.4 Risk report

There have been no significant changes with regard to the assessment of the risk situation submitted in the 2003 annual report (pages 33 to 35).

2.5 Special events

At the beginning of February, Bechtle acquired from the Swiss company ALSO HOLDING AG all shares in the Swiss system house ALSO COMSYT AG (Comsyt) with head offices in Dübendorf/Canton of Zurich.

During March, Bechtle relocated to new company headquarters in Neckarsulm. The operative business of the various units united at Neckarsulm - Bechtle System House, Bechtle direct Germany, Bechtle Logistics & Service, Bechtle Academy and Bechtle AG Holding with computer centre and central IT - was not adversely affected by the relocation.

At the end of March, the Board of Supervisors of Bechtle AG adopted the Annual Financial Statements for the fiscal year 2003 and approved the Consolidated Financial Statements, as well as the proposal of the Executive Board to recommend to the forthcoming Annual General Meeting that a dividend of 0.30 Euro be paid per share (previous year: 0.25 Euro). Gerhard Schick resigned from office as Chief Executive Officer of Bechtle AG, replacing Karin Schick-Krief on the Board of Supervisors, and was appointed as Chairman of the Board of Supervisors. Long-serving Bechtle management executives Gerhard Marz and Jürgen Schäfer were elected as Members of the Executive Board. Marz assumes responsibilty for the system house segment, while Schäfer takes on responsibility for Bechtle direct and Logistics. Karl-Heinz Gosmann was recalled from the Executive Board. Founding member Ralf Klenk was appointed as Chairman of the Executive Board.

2.6 Subsequent events after the end of the reporting period

No special events of note occurred.

3. The share

3.1 Development of the stock markets

The bull market which has been ongoing since March 2003 was predicted by most analysts to continue in the first quarter, but this failed to materialize. The indices on the main stock markets changed very little between the beginning of the year and the end of the reporting period. However, the comparison of indices on the cutoff dates belies the high volatility in the course of the first quarter. The Dax, for instance, reached an annual high of 4,175 points at the end of January and fell to a low of 3,692 points only two weeks before the end of the quarter. Since almost all other main indices showed much the same pattern, the first quarter can be characterized as being one of consolidation. As in the previous year, the German sub-indices performed much better than the Dax during the first quarter 2004. The technology stocks listed in the TecDax rose in value by 10.3 percent, clearly outperforming the Nasdaq (- 2 percent).

3.2 Development of the stock

The price of the Bechtle stock showed at times a sharp upward trend in the first quarter of 2004. During the period between mid-February and beginning March, the stock posted new annual and three-yearly highs virtually on a daily basis. On 24 February, the Bechtle stock reached 15.47 Euro - its highest level since 2001. At the 31 March cut-off date, the Bechtle stock was valued at 12.89

Euro, over 25 percent percent higher than at the beginning of the year, thus continuing the upward trend that began in the summer of 2003.

4. Outlook and forecast

4.1 Macroeconomic environment

According to the April report of the European Central Bank (ECB), the global economic outlook has continued to improve in recent months. The ECB anticipates that global real gross domestic product in 2004 will reach its highest level year-on-year since 2000. According to the ECB, most economic indicators point to better prospects for the global economy. The ECB assumes that the economic recovery in the monetary union will continue in the course of the year and gain momentum. The EU Commission also anticipates economic growth of up to 0.7 percent in the Euro currency region for the second quarter 2004. Private economic research institutes, such as the Munich-based Ifo Institute, are more cautious and expect a reduced level of growth for the second quarter.

With regard to the German economy, the leading German economic research institutes forecast in their spring report a more dynamic rate of growth in the second half of the year. In their view, the favorable foreign trade environment is a key factor giving impetus to the German economic cycle.

4.2. Stock market

Despite the good news on the economic and company earnings front, the European stock markets have struggled to maintain their upward trend as at the end of April. The US securities company Goldman Sachs anticipates a stagnating stock market in the coming months.

4.3 IT industry

The market researchers of the International Data Corporation (IDC) recently raised their growth forecast for the global IT investment. Sentiment in the hardware market is mixed to positive, given the quarterly figures and forecasts of a number of manufactures including IBM, Fujitsu, Dell, EMC, Intel, AMD, Texas Instruments, Infineon, Samsung, Toshiba, Philips and Siemens (IT segments).

4.4 Corporate development

The further development of the company will heavily depend on future macroeconomic development. The Executive Board anticipates much weaker earnings for the second quarter, particularly due to the lesser number of working days and a greater number of bridge days.

Current order receipts give no reason to assume that Bechtle will not achieve the result before income taxes of 4.2 million Euros posted for the second quarter of the previous year.

Given first quarter earnings and current order receipts, Bechtle is well on course to achieving its announced revenues and earnings targets for the financial year 2004.

Consolidated Profit and Loss Account in accordance with U.S. GAAP from 1 January to 31 March 2004 (2003)

	Notes	1 January to 31 March 2004 TEuro	1 January to 31 March 2003 TEuro
Revenues		248,379	172,882
Cost of revenues		213,877	149,466
Gross profit / loss		**34,502**	**23,416**
Selling and marketing expenses		14,788	9,800
General and administrative expenses		13,347	10,858
Other operating income	(12)	1,754	1,019
Operating income / loss		**8,121**	**3,777**
Interest income and expenses	(13)	-44	67
Result before income taxes (and minority interest)		**8,077**	**3,844**
Income tax	(14)	3,166	1,278
Result before minority interest		**4,911**	**2,566**
Minority interest		26	0
Net income / loss		**4,937**	**2,566**
Net income per share (basic) Euro		**0.2396**	**0.1307**
Net income per share (diluted) Euro		**0.2396**	**0.1307**
Weighted average shares outstanding (basic)		**20,607**	**19,626**
Weighted average shares outstanding (diluted)		**20.607**	**19.626**

Consolidated Balance Sheet as at 31 March 2004 (2003) in accordance with U.S. GAAP

Assets	Notes	31 March 2004 TEuro	31 December 2003 TEuro
Current assets			
Cash and cash equivalents		24,269	33,694
Short-term investments / marketable securities	(1)	5,424	0
Trade accounts receivable, net	(2)	122,912	106,186
Inventories	(3)	39,230	28,962
Deferred tax assets	(14)	2,385	2,267
Prepaid expenses and other current assets	(4)	15,754	10,469
Total current assets		**209,974**	**181,578**
Non current assets			
Tangible assets, net		14,535	11,848
Intangible assets, net	(5)	19,512	11,760
Goodwill, net	(6)	79,301	69,513
Notes receivable / loans	(7)	791	0
Deferred tax assets	(14)	2,926	3,344
Other assets	(3)	0	441
Total non current assets		**117,065**	**96,906**
Total assets		**327,039**	**278,484**

Liabilities and shareholders' equity	Notes	31 March 2004 TEuro	31 December 2003 TEuro
Current liabilities			
Short-term debt and current portion			
of long-term debt		15,449	3,647
Trade accounts payable		49,410	42,669
Advance payments received		1,009	3,423
Accrued expenses	(8)	27,422	21,487
Income tax payable		3,690	3,229
Deferred tax liabilities	(14)	789	946
Other current liabilities	(9)	10,164	8,953
Deferred income		4,513	3,678
Total current liabilities		**112,446**	**88,032**
Non current liabilities			
Long-term debt, less current portion	(10)	12,570	6,161
Deferred income		0	87
Accrued expenses	(8)	439	808
Deferred tax liabilities	(14)	5,890	2,558
Total non current liabilities		**18,899**	**9,614**
Minority interest		**641**	**614**
Shareholders' equity	(11)		
Share capital		21,200	20,200
21,200,000 shares issued with par value			
of Euro 1.00			
Additional paid-in capital		143,519	134,515
Retained earnings / accumulated deficit		31,006	26,069
Accumulated other comprehensive income / loss		-672	-560
Total shareholders' equity		**195,053**	**180,224**
Total liabilities and shareholders' equity		**327,039**	**278,484**

Consolidated Cash Flow Statement to the Interim Accounts in accordance with U.S. GAAP from 1 January to 31 March 2004 (2003)

	1 January to 31 March 2004 TEuro	1 January to 31 March 2003 TEuro
Cash Flow from operating activities		
Net profit / loss	4,937	2,566
Adjustments for:		
Depreciation and amortization	2,742	1,664
Increase / decrease in provisions and accruals	6,026	8,254
Losses / gains on the disposal of tangible assets	202	-72
Increase in deferred taxation on the debit side	-450	1,367
Decrease / increase in deferred taxation on the asset side	670	-2,293
Increase in net working capital	-18,285	-11,125
Personal costs of granted stock options	4	32
Others	131	7,002
Net cash used in (provided by) operating activities	**-4,023**	**7,395**
Cash Flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-25,375	-17,394
Purchase of property, plant and equipment	-4,312	-1,408
Proceeds from sale of equipment	92	89
Net cash used in (provided) investing activities	**-29,595**	**-18,713**
Cash Flow from financing activities		
Issuance of share capital	10,000	0
Purchase of treasury stock	0	-1,279
Sales of treasury stock	0	4,538
Proceeds from short or long-term borrowings	19,916	6,671
Cash repayments of amounts borrowed	-235	-1,942
Net cash provided by financing activities	**29,681**	**7,988**
Net effect of currency translation in cash and cash equivalents	2	-252
Adjustment for derivative instruments	-114	-15
Adjustment for available-for-sale securities	48	109
Net decrease in cash and cash equivalents	**-4,001**	**-3,488**
Cash and cash equivalents at beginning of period	**33,694**	**37,867**
Cash and cash equivalents at end of period	**29,693**	**34,379**

Statement of changes in shareholders' equity from 1 January to 31 March 2004 (2003)

	Number of ordinary shares issued	Subscriped capital TEuro	Capital-reserves TEuro
Shareholders' equity as at 01 January 2003	**20,200,000**	**20,200**	**134,554**
Purchase of treasury stock			
Dividends paid 2002			
Net income 31.03.2003			
Granted stock options			32
Exchange adjustment *)			
Adjustment for available-for-sale securities **)			
Adjustment for derivative instruments**)			
Shareholders' equity as at 31 March 2003	**20,200,000**	**20,200**	**134,586**
Shareholders' equity as at 01 January 2004	**20,200,000**	**20,200**	**134,515**
Capital increase	1,000,000	1,000	9,000
Net income 31.03.2004			
Granted stock options			4
Exchange adjustment ***)			
Adjustment for available-for-sale securities ****)			
Adjustment for derivative instruments ****)			
Shareholders' equity as at 31 March 2004	**21,200,000**	**21,200**	**143,519**

*) Related tax effect: -97 TEuro
**) Related tax effect: -4 TEuro
***) Related tax effect: -18 TEuro
****) Related tax effect: +16 TEuro
*****) Related tax effect: -43 TEuro

Treasury stock	Retained earnings Cumulative results	Retained earnings Appropriated retained earnings	Accumulated other comprehensive income	Total shareholders' equity	Comprehen-sive income
TEuro	TEuro	TEuro	TEuro	TEuro	TEuro
-3,327	**6,749**	**6,005**	**32**	**164,213**	**11,887**
-1,279				-1,279	
4,606		-68		4,538	
	2,566			2,566	2,566
				32	
			-252	-252	-252
			109	109	109
			-15	-15	-15
0	**9,315**	**5.937**	**-126**	**169,912**	**2,408**
0	**20,064**	**6.005**	**-560**	**180,224**	**17,773**
				10.000	
	4,937			4,937	4,937
				4	
			-47	-47	-47
			48	48	48
			-113	-113	-113
0	**25,001**	**6,005**	**-672**	**195,053**	**4,825**

Notes to the Consolidated Financial Statements (U.S. GAAP) for the period 1 January to 31 March 2004

I. Summary of Key Accounting, Valuation and Consolidation Principles

This Quarterly Report has been prepared in accordance with the United States Generally Accepted Accounting Principles (U.S. GAAP).

Consolidation Principles

The same accounting-, measurement and calculation methods were applied as for Bechtle's 2003 consolidated financial statement.

Scope of Consolidation

The scope of consolidation includes Bechtle AG, Gaildorf, and its majority owned and controlled subsidiaries. Bechtle AG holds all shares in all of its affiliated companies directly or indirectly via the intermediate holding companies Bechtle Beteiligungs-GmbH, Gaildorf and ARP Holding AG, Rotkreuz, Switzerland. An exception to this is PSB AG für Programmierung und Systemberatung, Ober-Mörlen (PSB AG) and its subsidiary companies, in which Bechtle AG has a direct or indirect 95.5 percent shareholding.

The companies listed below were acquired during the period under review, and have been included in the scope of consolidation for the first time:

Company	Registered	Date of first-time consolidation	Acquisition/ Founded
ARP Holding AG *)	Rotkreuz, Switzerland	01.01.2004	Acquisition
ALSO COMSYT AG	Dübendorf, Switzerland	01.02.2004	Acquisition

*) and the subsidiaries

Revenue Recognition

For software maintenance contracts and warranty extensions, deferred income amounting to TEuro 4,513 (previous year: TEuro 3,765) was posted to the balance sheet and written back over the average term of the contracts.

Advertising Expenses

The company generally expenses advertising and sales promotion as incurred. In the period under review, expenses amounting to TEuro 1,249 (01.01.-31.03.2003: TEuro 309) were accounted for with effect on income.

Short-term Investments / Marketable Securities

Short-term investments / marketable securities are classified as "available for sale" and were evaluated with the stock exchange- or market price.

Tangible Assets

Low-value assets of the fixed assets with an acquisition cost of less than Euro 410 in a total amount of TEuro 603 (01.01.-31.03.2003: TEuro 510) are fully depreciated in the year of acquisition.

Currency and Translation of Foreign Currency

Assets and liabilities are translated at the average exchange rate on the balance sheetdate. The equity capital is determined on the basis of historic rates. The revenue and expense accounts were translated at the average month-end exchange rates. The currency differences arising from the use of different rates are reported separately under the item 'Other Comprehensive Income' in the equity capital account. Currency conversion differences arising from exchange rates are reported with an effect on income. In the period under review, a total of TEuro 12 (01.01.-31.03.2003: TEuro 7 booked to income) has been booked to expenses.

Corporate Governance

Bechtle AG published a declaration on the Corporate Governance Codex pursuant to Article 161 of the German Stock Corporation Act. The actual declaration is available on the company's website.

II. Further Notes to the Balance Sheet and Profit and Loss Account

1. Marketable Securities / Available-for-sale Securities

	31.03.2004 TEuro	Previous year TEuro
Purchase costs	5,356	0
Market or fair value	5,424	0
Accrued Interest	4	0
Unrealized gains	64	0
Unrealized losses	0	0

2. Trade Accounts Receivable

To cover the general credit risk, appropriate valuation adjustments will be made based on past experience.

	31.03.2004 TEuro	Previous year TEuro
Trade accounts receivable	125,694	107,596
Valuation adjustments	2,782	1,410
	122,912	**106,186**

Concentration of credit risks

Accounts receivable by the company are unsecured, and the company therefore bears the risk of non-payment of these amounts. In the past the company had to absorb minor defaults on payments by individual customers or groups of customers.

During the reporting period, there were no individual customer revenues exceeding five percent of total revenues.

3. Inventories

The company's stock comprises retail goods and spare/replacement parts required to fulfil maintenance contracts.

	31.03.2004 TEuro	Previous year TEuro
Inventories	42,056	29,791
Valuation adjustments	2,826	829
	39,230	**28,962**

4. Prepaid Expenses and Other Assets

	31.03.2004 TEuro	Previous year TEuro
Tax rebate claims	3,421	2,634
Bonuses outstanding	2,906	2,916
Credit notes outstanding	2,234	1,558
Deferred sales income	1,481	0
Accounts receivable from leasing companies	809	1,233
Contributions to advertising costs	804	267
Accounts receivable from suppliers	728	349
Accounts receivable from personnel	338	338
Purchase price receivable	203	0
Building funds	156	0
Others	1,062	826
Other current assets	14,142	10,121
Prepaid expenses	1,612	789
	15,754	10,910
Prepaid expenses and other current assets	**15,754**	**10,469**
Other assets	**0**	**441**

5. Intangible Assets

	31.03.2004 TEuro	Previous year TEuro
Established clientele	12,391	7,391
Brands	2,750	0
Online-Shop	2,149	2,363
Homegrown software	629	716
Downpayments made	0	137
Other intangible assets	1,593	1,153
	19,512	**11,760**

Established clientele	TEuro
Book value (31.03.2004)	12,391
Amortization period (weighted average)	9.9 years
Cumulative depreciations	1,853
Expenses for period (01.01.-31.03.2004)	352

Scheduled amortization of established clientele is expected to amount to a total of TEuro 1,411 p.a. for the next five years.

Homegrown software	31.03.2004 TEuro	Previous year TEuro
Book value as at 01.01.	716	735
Additions	0	427
Depreciations during the period under review	87	446
Book value as at 31.03. / 31.12.	629	716

6. Goodwill

As at March 31, 2004, Bechtle had recorded goodwill amounting to TEuro 79,301 on the balance sheet. This includes the balance as at December 31, 2003 (TEuro 69,513) as well as newly acquired goodwill (TEuro 9,184) from corporate acquisitions in the period under review and currency conversion differences (TEuro -3) were also taken into consideration. The remaining increase in reported goodwill (TEuro 607) comes from the necessary revaluation of the acquired assets of last year's acquisition of the PSB AG and its subsidiaries.

7. Notes receivable / loans

This position (TEuro 791) is a matter of tax privileged reserve for provision of employment in Switzerland. The money is deposited on a Bank's blocked account.

8. Accrued Expenses

Accrued expenses for	31.03.2004 TEuro	Previous year TEuro
Vacation payments	2,659	745
Commissions	2,049	2,050
Remunerations	1,716	1,756
Professional association	980	788
Severely handicapped payments	71	199
Bonuses	70	149
Other personnel expenses	897	1,514
Personnel	8,442	7,201
Outstanding invoices	12,383	10,020
Guarantees	1,066	705
Legal and consultation costs	814	728
Housing costs	508	0
Customer bonuses	478	438
Vehicle costs	473	384
Restructuring	374	980
Contributions and insurances	197	227
Catalogue costs	163	0
Other accrued liabilities	2,963	1,612
	27,861	22,295
Current accrued expenses	27,422	21,487
Non-current accrued expenses	439	808

9. Other Current Liabilities

	31.03.2004 TEuro	Previous year TEuro
Turnover tax	3,124	3,584
Social security payments	2,875	2,698
Income tax on wages/salaries and church tax	1,937	1,840
Accounts payable to customers	581	0
Unrealized losses from derivative instruments	344	188
Others	1,303	643
	10,164	**8,953**

10. Long-term Debt, less Current Portion

	31.03.2004 TEuro	Previous year TEuro
Baden-Württembergische Bank		
- Debt for acquisition of the System House		
Division of Eurodis Switzerland AG	7,780	7,701
- Debt for financing		
Bechtle GmbH & Co. KG, Darmstadt	249	355
Sparkasse Schwäbisch Hall - Crailsheim		
- Debt for acquisition of ARP Holding AG	6,330	0
- Debt	65	194
Südwestbank AG	0	13
Long-term debt, total	14,424	8,263
Current portion	1,854	2,102
Long-term debt net of current portion	**12,570**	**6,161**

The two loans payable to the Baden-Württembergische Bank in the amount of TEuro 7,780 are denominated in Swiss francs and are due to mature on December 30, 2008; they bear a floating interest rate (CHF-LIBOR-6M + 90 basis points). The six monthly amortization will total TEuro 770 from June 30, 2004. The surety on the loans consists in the obligation that funds generated from the resale of assets acquired from Eurodis AG must be utilised primarily for repayment of these loans.

The risks associated with the floating interest rate on the above two loans will be eliminated by means of two interest swaps. The interest swaps are designated as cash flow hedges and are 100 percent effective in hedging against the interest rate risk. Excepting the reference amounts (initially totalling TCHF 12,000), both interest swaps have identical terms. Bechtle pays a fixed interest rate of 2.54 percent and receives the CHF-LIBOR-6M as a floating interest rate. The expiration date is fixed at December 30, 2008. The fair market values as at March 31, 2004 amounted to TEuro -275.

Taking into account the interest swaps as hedges against market interest rate fluctuations, the interest rate payable on both loans amounts to 3.44 percent.

The loan payable to the Baden-Württembergische Bank in the amount of TEuro 249 matures on October 1, 2004 and bears interest of 4.5 percent. The surety on the loan consists in the obligation that securities be treated equally, that accounts receivable and inventories not be charged and that shares of Bechtle GmbH & Co. KG, Darmstadt, not be sold without the consent of Baden-Württembergische Bank.

The loan payable to the Sparkasse Schwäbisch Hall – Crailsheim in the amount of TEuro 6,330 is denominated in Swiss francs (TCHF 10,000) and matures on 01 April 2009. It bears a floating interest rate (CHF-LIBOR-6M + 90 base points) and will be redeemed by annual payments in the amount of TEuro 1,283 due every 01 April beginning 01 April 2005. The security on the loan consists in a negative pledge provision or an undertaking to equalise. The risks associated with the floating interest rate on the loan will be eliminated by interest swap. The interest swap with an initial reference amount of TCHF 10,000 is to be regarded as a cash flow hedge and 100 percent effective in hedging against the interest rate risk. Bechtle pays a fixed interest rate of 1.49 percent and receives the CHF-LIBOR-6M as a floating interest rate. The expiration date is fixed at 01 April 2009. The fair market value of the interest swap amounted to TEuro -21 at 31 March 2004. The interest rate payable on the loan after making allowance for the interest swap to hedge against market interest rate fluctuations is 2.39 percent.

A further interest swap has already been agreed for a long-term loan from the Deutsche Bank in Swiss Francs in the amount of TEuro 13,019 (TCHF 20,300) to be drawn with effect from April 2004. The long-term loan has replaced short-term obligations in almost the same amount payable to the Deutsche Bank with effect from 05 January 2004. The long-term loan and interest swap mature on 01 April 2009. The loan will bear a floating interest rate (CHF-LIBOR-3M + 100 base points) and will be redeemed by annual payments in the amount of TEuro 2,604 due 01 April beginning 01 April 2005. The security on the loan consists in a negative pledge provision or an undertaking to equalise . The risks associated with the floating interest rate on the loan will be eliminated by interest swap. The interest swap with an initial reference amount of TCHF 20,300 is to be regarded as a cash flow hedge and 100 percent effective in hedging against the interest rate risk. Bechtle pays a fixed interest rate of 1.50 percent and receives the CHF-LIBOR-3M as a floating interest rate. The fair market value of the interest swap amounted to TEuro -48 at 31 March 2004. The interest rate payable on the loan after making allowance for the interest swap to hedge against market interest rate fluctuations is 2.50 percent.

The loan payable to the Sparkasse Schwäbisch Hall – Crailsheim matures on May 31, 2004 and bears interest of 4.15 percent. The surety on the loan consists in the obligation to treat securities equally.

The company has global lines of credit amounting to TEuro 60,507 plus lines of credit by way of bank guaranty in the amount of TEuro 665. At the balance-sheet date cash credits accounted for TEuro 15,127 and credits by way of bank guaranty accounted for TEuro 3,097 of this amount, leaving an unused line of credit of TEuro 42,948.

11. Shareholders' Equity

Share Capital

On 21 January 2004, the Executive Board, with the approval of the Board of Supervisors on 22 January 2004, adopted a resolution to increase the capital stock of Bechtle AG by Euro 1,000,000,00 from Euro 20,200,000,00 to Euro 21,200,000,00 by way of issuing Euro 1,000,000 new shares with a nominal value of Euro 1.00 per share and with full entitlement to dividend payout as of 01 January 2003 from the approved capital of the company. The undertaking of the capital increase was entered into the trade register on 11 February 2004. Authorization to trade the shares on the regulated market on the Frankfurt stock exchange was granted on 23 February 2004.

The stock capital of the company as at 31 March 2004 is therefore divided into 21,200,000 issued common shares and common shares outstanding with a nominal value of Euro 1.00 per share. Each share carries one vote.

Accordingly, the number of outstanding shares increased by 1,000,000 to 21,200,000 as at 31 March 2004 (previous year: 20,200,000). The weighted average number of common shares outstanding according to SFAS No. 128 amounted to 20,606,593 in the 1st quarter 2004 (1st quarter 2003: 19,626,012).

Capital Reserves

Stock Option Programme of Bechtle AG

The Stock Option Plan was terminated prematurely at the end of 2003. No stock options have been available since this date.

Stock Option Programme of PSB AG

PSB AG, in which Bechtle AG acquired a majority holding in 2003, granted a total of 55,000 stock options to managers and senior employees for the year 2002. After two years holding period the options can be exercised for three years (exercise deadline). If exercised, the beneficiary receives a share in PSB AG per option following payment of the striking price. This stands at Euro 7.71 for 32,000 of the options and Euro 8.35 for 23,000. The price was determined as an average of the closing value of the PSB AG share on the Xetra index over the last 30 trading days before the option issue date, plus a surcharge of ten percent as a target value. To finance the options, PSB AG approved a provisional sum of up to a nominal value of TEuro 360 by issuing up to 360,000 new shares at their 2001 General Shareholders' Meeting.

To determine the value of the individual option (an average of Euro 3.01) on the option issue date, the following parameters were incorporated into the fiscal option valuation model: share value Euro 7.31 or 6.60, striking price Euro 8.35 or 7.71, exchange ratio 1:1, volatility 62 percent, annual dividend distribution per share Euro 0.00, expected holding period as option duration 3.5 years, risk-free interest rate 4.0 percent p.a..

A total expenditure of TEuro 40 was calculated for the two-year holding period by multiplying the expected number of options to be exercised (13,000) by the value of the individual option of Euro 3.01. TEuro 36 of this amount have already been accounted for in the previous years, with the result that in the 1st quarter of 2004 at the end of the holding period a remaining amount of TEuro 4 was accounted for as personnel expenses on a pro rata temporis basis with an offsetting entry in the capital reserves.

At 31 March 2003 there were 13,000 options outstanding and exercisable.

The following table summarizes the information on the stock options in the period under review:

PSB AG	Quantity	Exercise price Euro	Fair market value of option of granting date Euro
Outstanding stock options at 01.01.2004	13,000	8.15	3.10
During financial year 2004			
- newly granted stock options	0		
- expired stock options	0		
- lapsed stock options	0		
Outstanding stock options at 31.03.2004	13,000	8.15	3.10
- of which are exercisable	13,000	8.15	3.10

Treasury Stock

All previously acquired treasury stock was sold in the fiscal year 2003 and no transactions were made in treasury stock in the 1st quarter 2004, with the result that the company does not hold treasury stock at 31 March 2004.

Other Comprehensive Income

The following table summarizes the information on the other comprehensive income on the balance sheet date.

	31.03.2004 TEuro	Previous year TEuro
Unrealized gains/losses (securities)	48	0
Exchange differences	-474	-428
Derivative instruments	-246	-132
	- 672	**-560**

The enclosed statement of changes in shareholders' equity shows in detail the development of the company's consolidated shareholders' equity.

12. Other Operating Income

The other operating income totalling TEuro 1,754 (01.01.-31.03.2003: TEuro 1,019) mainly relates to income from providing company cars to employees, the gradual repayment of assets from the invested capital and marketing development funds.

13. Interest Income and Expenses

	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
Other interest and similar income	101	175
Interest and similar expenses	145	108
	-44	**67**

14. Income Tax

The paid and due income taxes as well as the deferred tax assets are reported as income taxes.

The tax expenses incurred in the period under review are composed as follows:

	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
Current tax expenses	2,534	1,466
Deferred taxes	632	-188
Tax expenses	**3,166**	**1,278**

The balance for the period under review between the actual tax expenses and the amount arising from a weighted domestic and foreign tax rate of around 35 percent on the earnings before income tax is as follows:

	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
Earnings before taxes on income	8,077	3,844
Expected tax expenses	**2,820**	**1,461**
Non tax-deductible amortization of goodwill	33	53
Only tax-deductible goodwill amortization	-199	-271
Depreciation of deferred tax assets	475	0
Others	37	35
Actual tax expenses	**3,166**	**1,278**

The following table shows the deferred tax assets and liabilities. In addition to changes in the current year, it includes the deferred tax assets to be taken into account in the first-time consolidation of acquired companies as well as tax effects arising from changes in shareholders' equity not affecting the operating result.

Deferred tax assets	31.03.2004 TEuro	Previous year TEuro
Tax loss carryforwards	5,663	5,599
Established clientele	630	642
Valuation adjustments	371	0
Accrued liabilities	171	462
Interest swap	98	55
	6,933	6,758
Depreciation of deferred tax assets	1,622	1,147
Deferred tax assets	5,311	5,611
Current deferred tax assets	**2,385**	**2,267**
Non-current deferred tax assets	**2,926**	**3,344**

Deferred tax liabilities	31.03.2004 TEuro	previous year TEuro
Established clientele	3,501	1,335
Valuation differences ARP	1,614	0
Goodwill	1,177	1,048
Capitalized software	241	274
Accrued liabilities	24	144
Unrealized gains (securities)	16	0
Valuation adjustment assets intercompany	0	341
Service contracts	0	167
Other	106	195
Deferred tax liabilities	6,679	3,504
Current deferred tax liabilities	**789**	**946**
Non-current deferred tax liabilities	**5,890**	**2,558**

The deferred tax assets mainly result from earnings tax loss carryforwards which, according to German tax regulations, can be carried forward without limitation. We assume that in future sufficient earnings will be generated to offset the tax losses carried forward.

The basic tax rate used for the accrual of deferred taxes is approximately 38 percent.

The actual tax rate is taken as the basis for calculating foreign deferred tax rebate claims on loss carryforwards.

The tax loss carryforwards in the total amount of TEuro 14,075 at March 31, 2004 for which the deferred tax assets were established relate to domestic and foreign subsidiaries. Start-up losses of foreign companies account for TEuro 2,091 (previous year TEuro 1,469). The tax loss carryforwards are unlimited in time according to the national tax laws currently in effect.

III. Acquisition of New Companies and Business Segments

ARP Holding AG, Rotkreuz, Canton of Zug, Switzerland

On 01 January 2004 Bechtle AG acquired all shares in ARP Holding AG for a purchase price of TEuro 46,293 plus incidental acquisition expenses amounting to TEuro 282 (to be paid in cash).

Based on a total purchase price of TEuro 46,575, the capital consolidation using the purchase method resulted in a difference amounting to TEuro 15,199 once acquired assets (TEuro 31,376) had been taken into consideration. In accordance with SFAS No. 141, this amount includes TEuro 5,320 which account for acquired goodwill to be amortized over a period of ten years, as well as TEuro 2,750 which account for acquired brand name rights with an unlimited period of use and which therefore are not depreciated in the scheduled manner. In the course of capitalizing the goodwill, deferred tax liabilities amounting to TEuro 2,042 were accumulated, resulting in an increase in the amount of goodwill which will be written off again parallel to scheduled amortization of goodwill over its expected economic life. The remaining difference could neither be allocated to balance-sheet assets nor as assets shown separately, and therefore was recorded as goodwill (TEuro 9,171).

The ARP Group (approx. 220 employees), with offices in Switzerland (in Rotkreuz, Zurich and Cham), in Germany (Dietzenbach) and in Austria (Wiener-Neudorf) as well as a purchasing company in Taiwan (Taipeh), is one of the largest European eCommerce suppliers of computers and IT accessories for business customers. This acquisition greatly strengthens the eCommerce segment of the Bechtle Group and further enhances its market position in Switzerland and Austria.

The company had the following balance sheet at the time of first-time consolidation:

	TEuro
Current assets	
Inventories	9,342
Accounts receivable	27,868
Cash	22,757
Deferred tax assets	69
Other current assets	1,258
	61,294
Non-current assets	
Tangible assets	1,941
Established clientele	5,320
Brand names	2,750
Goodwill	9,171
Other intangible assets	617
Financial assets	793
Deferred tax assets	301
	20,893
Total assets	**82,187**
Current liabilities	
Trade accounts payable	21,358
Deferred tax liabilities	2,170
Other current liabilities	10,529
	34,057
Non-current liabilities	
Deferred tax liabilities	1,447
Other current liabilities	55
	1,502
Total liabilities	**35,559**
Minority interest	**53**
Total assets ./.	
Total liabilities ./.	
Minority interest =	**46,575**

ALSO COMSYT AG, Dübendorf, Canton of Zurich, Switzerland

On 05 February 2004, all shares of ALSO COMSYT AG were acquired against payment of purchase price of TEuro 1,280. With a reported shareholders’ equity of TEuro 4,610, thus resulting in an initial badwill of TEuro 3,330.

The purchase of the company was registered using the purchase method. In accordance with SFAS No. 141, acquired goodwill was identified as a separate asset to be amortized over a period of ten years in addition to the acquired net assets. In the course of capitalizing the goodwill, deferred tax liabilities were accumulated, resulting in an increase in the amount of goodwill which will be written off again parallel to scheduled amortization of goodwill over its expected economic life. The amounts stated for tangible and intangible assets were respectively reduced by the same magnitude until there was no badwill (negative difference) between acquisition costs and book values of assets and liabilities (“badwill”). The acquired net assets are therefore equal to the purchase price (TEuro 1,280).

With a network comprising three business centres in Basel, Zurich and Lausanne, an operation centre in Adligenswil (Lucerne) and eleven service centres in all regions of Switzerland, ALSO COMSYT AG (approx. 400 employees) is one of the largest systems houses in Switzerland and significantly expands the Systems Integration segment of the Bechtle Group.

The company had the following balance sheet at the time of first-time consolidation:

	TEuro
Current assets	
Inventories	266
Accounts receivable	5,469
Cash	330
Other current assets	939
	7,004
Non-current assets	
Tangible assets	179
Established clientele	34
Goodwill	13
Other intangible assets	11
	237
Total assets	**7,241**
Current liabilities	
Trade accounts payable	783
Deferred tax liabilities	13
Other current liabilities	4,877
	5,673
Non-current liabilities	288
Total liabilities	**5,961**
Minority interest	**0**
Total assets ./.	
Total liabilities ./.	
Minority interest =	**1,280**

IV. Pro-Forma Information

If the companies and participations on majority acquired during the period under review had been acquired at the beginning of financial year 2003, the key balance-sheet data would have been as follows:

	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
Revenues	251,514	231,238
Net income	4,748	2,408
Earnings per share	0.2304	0.1227

V. Contingencies and Commitments

Other Financial Liabilities

The company has several non-cancellable leasing agreements for office and storage space. The company also leases buildings, vehicles and various services under operating leases which are non-cancellable during the basic term of the lease. Total payments under all operating leases amounting to TEuro 3,786 (01.01.-31.03.2003: TEuro 2,691) were accounted for as expenses.

The future liabilities with respect to the foregoing agreements with an initial or remaining term of more than one year as at March 31, 2004 amount to TEuro 88,421 (previous year: TEuro 84,681).

Other financial commitments include TEuro 47,222 from the leasing contract for the central logistics and administration building in Neckarsulm, which was made in 2002.

Litigation

The company is unaware of any proceedings which would have a substantial detrimental effect on its earnings, liquidity or financial position.

VI. Additional Notes to the Cash Flow Statement

Cash Flow from Operating Activities

The cash outflow from operating activities in the period under review amounted to TEuro 4,023 (01.01.-31.03.2003: TEuro 7,399 inflow). The cash outflow stands in connection with the acquisition of companies and relates to a clear reduction of trade accounts payable.

Cash Flow from Investing Activities

The cash outflow from investment activities amounted to TEuro 29,595 and is mainly attributable to the acquisition of ARP Holding AG and ALSO COMSYT AG.

Cash Flow from Financing Activities

The cash inflow from financing activities of TEuro 29,681 is mainly the result of raising new bank loans and a capital increase.

Cash and Cash Equivalents	31.03.2004 TEuro	Previous year TEuro
Liquid funds	24,269	33,694
Securities	5,424	0
Cash and cash equivalents	29,693	33,694

Cash Outflow in the Period	01.01.-31.03.2004 TEuro	01.01.-31.03.2003 TEuro
Interest	145	108
Income taxes	3,272	3,024

VII. Related Parties

Transactions with Related Parties

In the period under review, there was no significant revenue from transactions with shareholders, executive employees or companies controlled by such persons.

Leasing agreements on various properties exist between consolidated companies and managing board members, directors, their close relatives and companies controlled by these persons. In the period under review, leasing expenses amounting to TEuro 65 (01.01.-31.03.2003: TEuro 33) were treated as revenue expenditure.

VIII. Segment Disclosures

In Germany, the Bechtle Group has offices in Aachen, Bad Vilbel, Berlin, Chemnitz, Cologne, Constance, Darmstadt, Dietzenbach, Dreieich, Dresden, Essen, Frankfurt, Freiburg, Friedrichshafen, Gaildorf, Gera, Groß-Gaglow, Hamburg, Hanau, Hanover, Höchberg, Idstein, Karlsruhe, Kassel, Kiel, Krefeld, Langenselbold, Langenzenn, Magdeburg, Mannheim, Mainhausen, Mainz, Münster, Neckarsulm, Oberhausen, Ober-Mörlen, Regensburg, Rottenburg, Schorndorf, Schkeuditz, Schwaig, Schwarzheide, Solingen, Stuttgart, Villingen-Schwenningen and Weimar.

Internationally, the group has offices in Bolzano (Italy), Linz and Wiener-Neudorf (Austria), Son (Netherlands), Chippenham (United Kingdom), Adligenswil, Basle, Bern, Cham, Fehraltdorf, Gland, Lausanne, Regensdorf, Rotkreuz und Zurich

(Switzerland), Paris and Strasbourg (France), Turnhout (Belgium), Taipeh (Taiwan), Barcelona and Madrid (Spain).

Central administration of the group companies is in Gaildorf.

There are no major inter-segment transactions.

External revenues by segment	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
System integration	160,909	127,664
eCommerce	87,470	45,218
Company total	**248,379**	**172,882**

Depreciation and amortization by segment	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
System integration	1,894	1,360
eCommerce	848	304
Company total	**2,742**	**1,664**

Operating income by segment	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
System integration	3,039	1,377
eCommerce	5,082	2,400
Total operating income	**8,121**	**3,777**
Financial result	-44	67
Earnings before taxes	**8,077**	**3,844**

Gross assets by segment	31.03.2004 TEuro	Previous year TEuro
System integration	255,087	218,182
eCommerce	71,952	60,302
Balance sheet total	327,039	278,484

Goodwill by segment	31.03.2004 TEuro	Previous year TEuro
System integration	61,440	60,434
eCommerce	17,861	9,079
Company total	**79,301**	**69,513**

Long-lived assets *) by segment	31.03.2004 TEuro	Previous year TEuro
System integration	21,624	21,432
eCommerce	12,423	2,176
Company total	**34,047**	**23,608**

*) Software, advance payments, established clientele and tangible assets.

Geographical Information

The following amounts may be allocated to geographical regions in the period under review.

External revenues by region	01.01.- 31.03.2004 TEuro	01.01.- 31.03.2003 TEuro
Domestic	173,067	130,216
Foreign	75,312	42,666
Company total	**248,379**	**172,882**

The revenues are allocated to the country in which the subsidiary is headquartered. Revenues are transacted only in the home market, as seen the subsidiary's viewpoint.

The long-lived assets are distributed to the regions as follows:

Long-lived assets*) by region	31.03.2004 TEuro	Previous year TEuro
Domestic	19,841	19,475
Foreign	14,206	4,133
Company total	**34,047**	**23,608**

All long-lived assets are located in the country in which the subsidiary is headquartered.

*) Software, advance payments, established clientele and tangible assets.

IX. Earnings Per Share

The following table presents the computation of the basic and diluted net earnings per ordinary share:

	01.01.-31.03.2004 TEuro	01.01.-31.03.2003 TEuro
	(excepting quantity and amount per share)	
Net income / net profit		
for ordinary stockholders	**4,937**	**2,566**
Weighted average shares outstanding	20,606,593	19,626,012
Basic and diluted earnings per share	**0.2396**	**0.1307**

X. Remuneration of Executive Bodies

Executive Board

The benefits of the Executive Board of Bechtle AG in the period under review totalled TEuro 178. The compensation of the Executive Board consisted of a fixed component and variable component. The fixed and variable benefits amounted to TEuro 103 and TEuro 75 respectively.

Supervisory Board

All disclosures relating to the Supervisory Board are summarized in the attachment to notes.

XI. Executive Bodies

Members of the Executive Board

Ralf Klenk, CEO
with responsibility for the corporate brand names "PSB" and "ARP" as well as for IT, Finance, Corporate Planning, Public Relations, Marketing and Personnel.

- Member of the Supervisory Board
  of PSB AG für Programmierung und Systemberatung, Ober-Mörlen

Gerhard Marz, COO
with responsibility for the System Houses segment, Competence Center and Solutions Center.
Since 22 March 2004

Jürgen Schäfer, COO
with responsibility for the European direct distribution of the corporate brand name "Bechtle" and for the Logistik & Service.
Since 22 March 2004

Gerhard Schick, CEO
Until 22 March 2004

Number of Shares of Bechtle AG

Executive Board	31.03.2004	Previous year
Ralf Klenk	352,462	352,462
Gerhard Marz	6,916	6,916
Jürgen Schäfer	4,000	4,000

Members of the Supervisory Board

All figures relating to the Supervisory Board are summarized in the attachment to notes.

Gaildorf, May 2004

Bechtle AG

The Executive Board

Members of the Supervisory Board

Attachement to Notes

	Member since	Occupation
Shareholders' Representatives		
Beilharz, Otto	20 May 1999	CEO
Dobitsch, Kurt	20 May 1999	Entrepreneur
Schick-Krief, Karin retired as at 22 March 2004		
Schick, Gerhard, Chairman of the Supervisory Board – direct owned – indirect over usufruct	22 March 2004	Businessman
Dr. Türschmann, Wolfram	02 October 2003	Board
Winkler, Klaus	20 May 1999	CEO
Dr. Wolf, Jochen, 2nd Deputy Chairman of the Supervisory Board – owned – on behalf of BWK GmbH UnternehmensBeteiligungsGesellschaft	02 October 2003	CEO
Employees' Representative		
Drautz, Uli	15 October 2003	Commercial Employee
Feeser, Ralf, Deputy Chairman of the Supervisory Board	15 October 2003	Executive Commercial Employee
Greyer, Barbara	15 October 2003	Manager of IT Branch ver.di Baden-Württemberg
Leweke, Peter	15 October 2003	Technical Employee
Ludewig, Daniela	15 October 2003	Commercial Employee
Dr. Luz, Rudolf	15 October 2003	Senior Representative of IG Metall Heilbronn-Neckarsulm

Membership of Supervisory Boards and Other Supervisory Bodies in terms of § 125 Para. 1 Clause 3 German Companies Act	Number of shares 31.03.2004	Number of shares 31.12.2003
– Member of the Supervisory Board of Kellner & Kunz AG, Vienna	4,448	4,448
– Chairman of the Supervisory Board of United Internet AG, Montabaur as well as Nemetschek AG, Munich – Member of the Supervisory Board of 1&1 Internet AG, Karlsruhe of Adlink AG, Montabaur of twenty4help knowledge Service AG, Dortmund as well as DOCUWARE AG, Munich	0	0
– Member of the Supervisory Board of PSB AG für Programmierung und Systemberatung, Ober-Mörlen	200,000 1,026,933	200,000 1,026,933
– Chairman of the Supervisory Board of PSB AG für Programmierung und Systemberatung, Ober-Mörlen	0	0
– Member of the Supervisory Board of Sick AG, Waldkirch	725	725
	0 3,916,507	0 3,916,507
	1,644	1,644
	656	606
	0	0
	180	180
	0	0
– Deputy chairman of the Supervisory Board of Kolbenschmidt Pierburg AG, Neckarsulm	0	0

www.bechtle.com

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Bechtle AG
Bechtle Platz 1
74172 Neckarsulm
Germany

Phone: +49 (0)71 32/9 81-0
Telefax: +49 (0)71 32/9 81-80 00
E-Mail: ir@bechtle.com