

1<sup>ST</sup> QUARTER 2011

# Interim Report as of 31 March 2011

Your strong IT Partner.  
Today and Tomorrow.

**BECHTLE**

## KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01.– 31.03.2011	01.01.– 31.03.2010	Change in %
<b>Revenue</b>	thou. euros	<b>456,107</b>	<b>354,758</b>	<b>28.6</b>
IT system house & managed services	thou. euros	295,780	227,957	29.8
IT e-commerce	thou. euros	160,327	126,801	26.4
<b>EBITDA</b>	thou. euros	<b>21,741</b>	<b>13,559</b>	<b>60.3</b>
IT system house & managed services	thou. euros	13,119	7,212	81.9
IT e-commerce	thou. euros	8,622	6,347	35.8
<b>EBIT</b>	thou. euros	<b>17,847</b>	<b>9,894</b>	<b>80.4</b>
IT system house & managed services	thou. euros	10,126	4,608	119.7
IT e-commerce	thou. euros	7,721	5,286	46.1
<b>EBIT margin</b>	%	<b>3.9</b>	<b>2.8</b>	
IT system house & managed services	%	3.4	2.0	
IT e-commerce	%	4.8	4.2	
<b>EBT</b>	thou. euros	<b>18,096</b>	<b>10,245</b>	<b>76.6</b>
<b>EBT margin</b>	%	<b>4.0</b>	<b>2.9</b>	
<b>Earnings after taxes</b>	thou. euros	<b>13,175</b>	<b>7,587</b>	<b>73.7</b>
<b>Earnings per share</b>	euros	<b>0.63</b>	<b>0.36</b>	<b>73.7</b>
<b>Working capital</b>	thou. euros	<b>157,665</b>	<b>131,248</b>	<b>20.1</b>
<b>Return on equity<sup>1</sup></b>	%	<b>15.4</b>	<b>9.6</b>	
<b>Cash flow from operating activities</b>	thou. euros	<b>5,821</b>	<b>16,585</b>	<b>-64.9</b>
<b>Cash flow per share</b>	euros	<b>0.28</b>	<b>0.79</b>	<b>-64.9</b>
<b>Number of employees (as of 31.03.)</b>		<b>4,875</b>	<b>4,374</b>	<b>11.5</b>
IT system house & managed services		3,785	3,435	10.2
IT e-commerce		1,090	939	16.1
		31.03.2011	31.12.2010	Change in %
<b>Cash and cash equivalents<sup>2</sup></b>	thou. euros	<b>128,099</b>	<b>129,750</b>	<b>-1.3</b>
<b>Equity ratio</b>	%	<b>60.3</b>	<b>56.8</b>	

<sup>1</sup> Annualised

<sup>2</sup> Incl. time deposits and securities

## REVIEW BY QUARTER 2011

		1st quarter 01.01.–31.03.	2nd quarter 01.04.–30.06.	3rd quarter 01.07.–30.09.	4th quarter 01.10.–31.12.	2011 FY 01.01.–31.03.
<b>Revenue</b>	thou. euros	<b>456,107</b>				<b>456,107</b>
<b>EBITDA</b>	thou. euros	<b>21,741</b>				<b>21,741</b>
<b>EBIT</b>	thou. euros	<b>17,847</b>				<b>17,847</b>
<b>EBT</b>	thou. euros	<b>18,096</b>				<b>18,096</b>
<b>EBT margin</b>	%	<b>4.0</b>				<b>4.0</b>
<b>Earnings after taxes</b>	thou. euros	<b>13,175</b>				<b>13,175</b>

# CONSOLIDATED INTERIM MANAGEMENT REPORT

## BUSINESS ACTIVITY

Bechtle operates more than 60 IT system houses in Germany, Austria and Switzerland and is a leading IT e-commerce provider with trading companies in 13 countries throughout Europe. This combination forms the basis of Bechtle's unique business model, which combines IT services with direct marketing of IT products. Established in 1983 and headquartered in Neckarsulm, Germany, the company offers a one-stop, vendor-independent, comprehensive IT portfolio to its more than 56,000 customers from the fields of industry and trade, the public sector and the financial industry.

In the IT system house & managed services segment, the range of goods and services includes the supply of hardware and software, project planning and roll-out, system integration, maintenance and training, and complete operation of the customer's IT. In IT e-commerce, the second business segment, Bechtle offers its customers hardware and standard software by way of direct sales via the Internet, catalogue and tele-sales. In view of the rapid technical progress on the IT market and the associated short product life cycles, Bechtle is continuously expanding its diversified range of goods and services, with more than 44,000 products currently available.

## BUSINESS ENVIRONMENT

- Economic upsurge unabated
- Mood indicators at a high level
- PC sales on the rise in Germany, declining in Western Europe

### Macroeconomic Environment

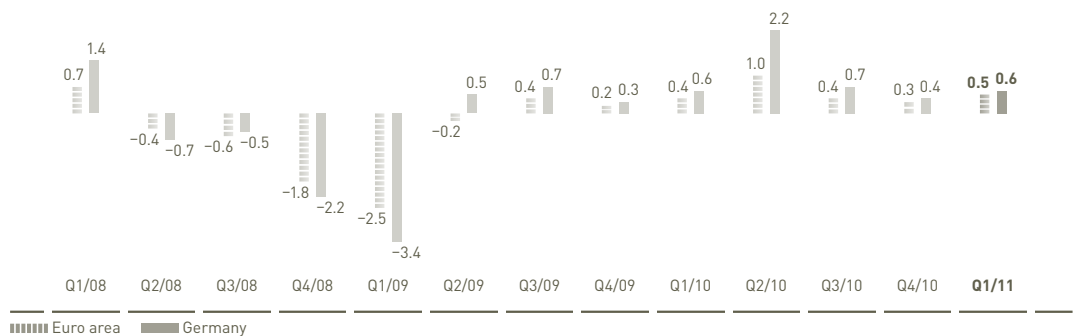
In the first quarter of 2011, the economy in the euro area further stepped up the high growth rate from the prior year. The European Commission estimates that the gross domestic product (GDP) increased by 0.5 per cent compared to the prior quarter. The growth had amounted to 0.3 per cent in the fourth quarter of 2010 and 0.4 per cent in the third quarter. With growth rates of 0.2 to 0.6 per cent, the larger national economies in the euro area presented a largely homogeneous picture. Outside the euro area, Great Britain and Poland performed above average, with growth rates of 1.0 and 0.8 per cent, respectively. The growth was mainly driven by the higher exports and the growing domestic demand.



ec.europa.eu

## GDP DEVELOPMENT COMPARED TO PRIOR QUARTER

in per cent



With an increase of 0.6 per cent in the first quarter, the German economy too was able to surpass the prior quarter, as had been predicted by the European Commission. Leading business research institutes expect investments in equipment in the first half of 2011 to grow by 13.0 per cent over the prior year.


[www.ifo.de](http://www.ifo.de)

The mood indicators for the German economy continued to rise and reached new record marks in the first quarter. In February, the ifo index reached 111.3, the highest level since the reunification of the former East and West Germany. In March, the index receded only slightly to 111.1. The value in March was mainly based on the evaluation of the current situation, whose value of 115.8 represents an absolute high. In contrast, expectations for the coming six months declined in the first quarter, though the level of 106.5 in March still corresponded to that of the fourth quarter of 2010.

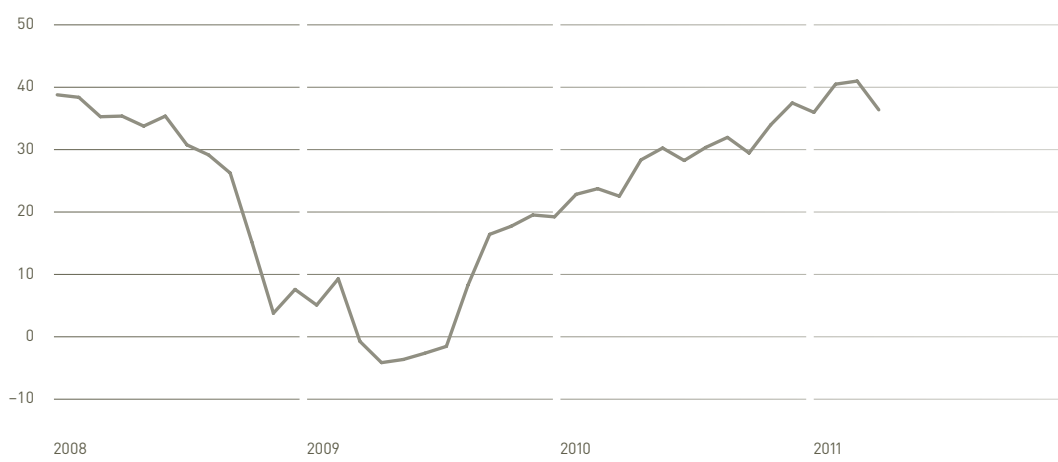
## Industry


[www.gulip.de](http://www.gulip.de)

At present, detailed, up-to-date market data are not yet available for the IT market. Thus, as of the reporting date, there were no concrete figures for the service and trading sub-segments for Germany, the DACH region (Germany, Austria, Switzerland) or Europe. However, there are figures for sub-segments on the basis of which conclusions can be drawn concerning the overall market. For example, the GULP IT project market index indicates how many IT projects are offered for freelance IT experts. In the first quarter of 2011, the number of registered projects was 37.0 per cent higher than in the prior-year quarter, a clear indication of the increased demand for IT services in general. According to the market researchers of Context, PC sales in Western Europe in the first quarter were 2.9 per cent below the prior-year value. The decline was especially strong in the area of netbooks, though laptops and desktop PCs were also affected by the decrease. In contrast, the demand for tablet PCs increased greatly. Bucking the trend, the PC market in Germany increased. As reported by Context, PC sales in Germany went up by 12.5 per cent. According to the market research institute Gartner, whose results for EMEA were similar to those of Context for Western Europe, the demand for PCs increased in the business customer segment in the first quarter of 2011.

The mood indicators for the German IT industry continued to rise in the first quarter, reaching the highest levels since July 2007. In January, the ifo index for IT service providers climbed from 36.0 to 40.5. After a further increase to 41.0 in February, it dropped to 36.4 in March. Though the evaluation of the current situation continually increased from 40 in January to 43 in March, the expectations for the future lost vigour, declining from 41 in January to 30 in March.

#### IFO INDEX FOR IT SERVICE PROVIDERS



The quarterly BITKOM industry index presented an entirely positive picture. In the first quarter, it climbed to 72, a new record mark. IT service providers were particularly optimistic, scoring on balance 80 points. However, software houses (76 points) and manufacturers and distributors (71 points) also revealed a positive basic mood.



[www.bitkom.org](http://www.bitkom.org)

## Overall Assessment

Macroeconomic framework conditions continued to be very positive in the first quarter. The growth trend in the economy in general and in the IT industry has not abated. The willingness to invest is still high in the commercial economy in the EU. The IT industry, too, has benefited from this development.

Against the backdrop of the forecasts for 2011 as a whole for the IT market in Germany and the EU with growth rates around 4 per cent, Bechtle AG greatly benefited from the dynamics of the overall market and clearly further expanded its market share in the first quarter.



See Forecast,  
page 22



## EARNINGS POSITION

- Incoming orders hit record mark
- Two-digit earnings growth
- Margin level above industry average

### Order Position

Most of the contractual relationships for the sale of IT products and services that Bechtle enters into are of a short-term nature. The IT e-commerce segment is characterised almost entirely by the conclusion of pure trading deals with very short order and delivery times, though some project transactions in the IT system house & managed services segment may take up to six months. On the other hand, framework and operating agreements in the managed services segment may have much longer terms.

Due to the current business structure, incoming orders are still largely reflected in the revenue of a reporting period. In the first three months of 2011, incoming orders reached a new record level of about 485 million euros, 34.3 per cent more than in the prior-year period (361 million euros). The IT system house & managed services segment recorded an increase of 37.3 per cent to 320 million euros (prior year: 233 million euros). In the IT e-commerce segment, incoming orders went up by 28.9 per cent to 165 million euros (prior year: 128 million euros).

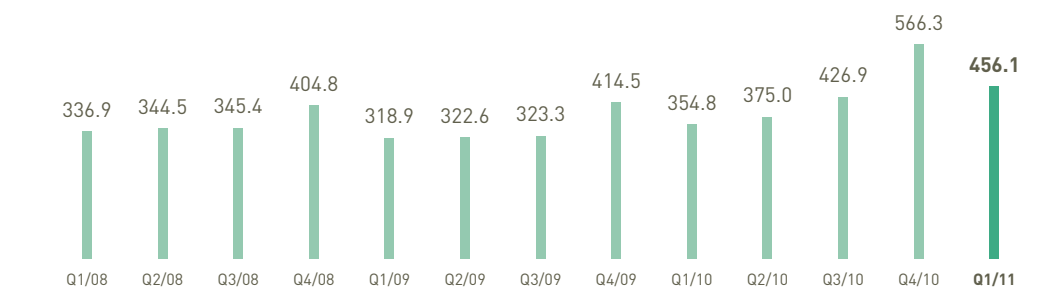
The order backlog as of 31 March 2011 rose to 223 million euros (prior year: 145 million euros), an increase of 53.8 per cent compared to the prior-year reporting date. Of this amount, the IT system house & managed services segment accounted for 209 million euros (prior year: 125 million euros), and the IT e-commerce segment for 14 million euros (prior year: 20 million euros).

### Revenue Performance

Bechtle AG impressively sustained the upward trend of the past fiscal year in the quarter under review. Year on year, the revenue generated from January to March 2011 increased by 28.6 per cent to 456.1 million euros (prior year: 354.8 million euros). Both segments contributed in equal measure to this development with substantial gains. As the revenue of the companies acquired in the fiscal year ended amounted to 11.5 million euros in the reporting period, the group's organic growth in the first quarter was 25.3 per cent.

## GROUP REVENUE

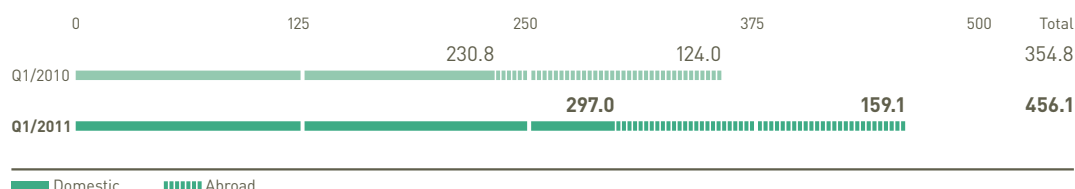
in million euros



In the first three months of 2011, revenues in Germany increased by 28.7 per cent to 297.0 million euros (prior year: 230.8 million euros). The performance on foreign markets was similarly strong and almost exclusively organic. Here, revenues increased by 28.3 per cent from 124.0 million euros in the prior year to 159.1 million euros. Bechtle again generated most of its revenue (65.1 per cent; prior year: 65.0 per cent) on the domestic market.

## REGIONAL REVENUE DISTRIBUTION

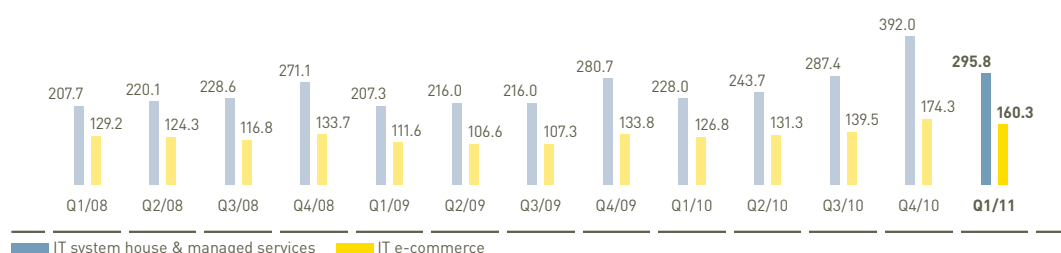
in million euros



In the first quarter, the Bechtle Group generated revenues of 295.8 million euros in the IT system house & managed services segment (prior year: 228.0 million euros), a growth of 29.8 per cent. The contribution of the domestic system houses to the group revenue posted an increase of 29.2 per cent to 248.3 million euros (prior year: 192.1 million euros). On the German market, Bechtle benefited from a high demand and on-going willingness to invest. Moreover, the acquisition of iits and SolidPro were effective. The revenue of the foreign system houses increased by an above-average rate of 32.6 per cent to 47.5 million euros (prior year: 35.8 million euros).

## REVENUE BY SEGMENTS

in million euros





In the reporting period, the IT e-commerce segment grew by 26.4 per cent. Revenues went up from 126.8 million euros to 160.3 million euros. The demand on the IT market, which had already picked up considerably in the last fiscal year, continued in the first months of this year. Furthermore, the extensive sales staff qualification measures initiated in the prior year contributed to this encouraging development. Domestic revenues increased by 26.1 per cent to 48.7 million euros, and the European e-commerce companies grew by 26.6 per cent to 111.6 million euros.

#### REVENUE – GROUP AND SEGMENTS

in thousand euros

	Q1/2011	Q1/2010	Change
<b>Group</b>	<b>456,107</b>	<b>354,758</b>	<b>28.6%</b>
Domestic	296,997	230,768	28.7%
Abroad	159,110	123,990	28.3%
<b>IT system house &amp; managed services</b>	<b>295,780</b>	<b>227,957</b>	<b>29.8%</b>
Domestic	248,266	192,133	29.2%
Abroad	47,514	35,824	32.6%
<b>IT e-commerce</b>	<b>160,327</b>	<b>126,801</b>	<b>26.4%</b>
Domestic	48,731	38,635	26.1%
Abroad	111,596	88,166	26.6%

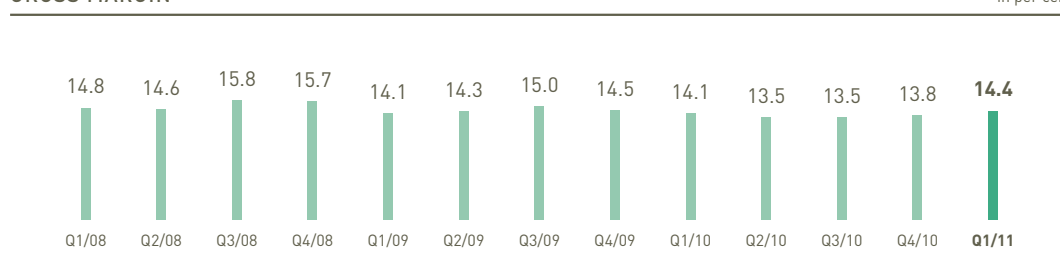
Based on an average number of 4,443 full-time employees (prior year: 3,999), the revenue per employee increased considerably in the first quarter of 2011, reaching 103 thousand euros, compared to 89 thousand euros in the corresponding prior-year quarter. The revenue per employee in the IT system house & managed services segment amounted to 86 thousand euros, based on an average of 3,453 full-time employees (prior year: 73 thousand euros for 3,129 full-time employees). The revenue per employee generated in the IT e-commerce segment in the first three months of 2011 amounted to 162 thousand euros, based on an average of 990 full-time employees (prior year: 870), compared to 146 thousand euros in the corresponding prior-year quarter.

#### Earnings Performance

At 28.0 per cent, the increase in cost of sales was lower than the increase in revenue. Thus, the share of the cost of sales amounted to 85.6 per cent of the revenue in the first quarter (prior year: 85.9 per cent). Thanks to the better capacity utilisation and the higher service revenue, the group's gross margin went up from 14.1 per cent to 14.4 per cent. In the first three months of 2011, gross earnings thus improved by a disproportionately high rate of 31.8 per cent to 65.9 million euros (prior year: 50.0 million euros).

#### GROSS MARGIN

in per cent





In the first quarter, the functional costs of the Bechtle Group underwent an absolute increase. However, the cost increase was disproportionately low compared to the revenue increase. To accommodate the growing demand, distribution and marketing activities were further expanded, resulting in a cost increase of 26.5 per cent from 22.1 million euros to 28.0 million euros. The distribution cost ratio dropped slightly to 6.1 per cent, from 6.2 per cent in the prior year. Especially due to new recruitment, administrative expenses increased by 17.0 per cent to 22.7 million euros in the quarter under review (prior year: 19.4 million euros). The share of administrative expenses in the revenue declined from 5.5 per cent to 5.0 per cent.

Compared to the prior-year quarter, other operating income increased from 1.4 million euros to 2.6 million euros. This was mainly due to income from exchange rate fluctuations.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to 21.7 million euros, 60.3 per cent above the prior-year figure of 13.6 million euros. The group's EBITDA margin improved from 3.8 per cent to 4.8 per cent.

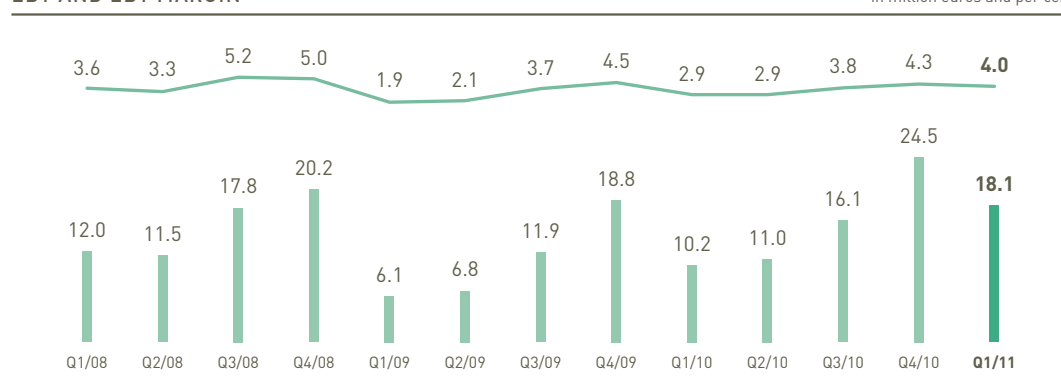
Depreciation and amortisation amounted to 3.9 million euros, just slightly over the figure for the corresponding prior-year quarter (3.7 million euros). These mostly involved scheduled amortisation and depreciation of other intangible assets and property, plant and equipment.

In the quarter under review, earnings before interest and taxes (EBIT) amounted to 17.8 million euros (prior year: 9.9 million euros). This represents an earnings surge of 80.4 per cent compared to the prior year. In the three-month period, the margin thus improved to 3.9 per cent (prior year: 2.8 per cent).

Following positive financial earnings of 249 thousand euros (prior year: 351 thousand euros), the group's EBT in the first quarter amounted to 18.1 million euros, 76.6 per cent more than in the prior year (10.2 million euros). Bechtle was able to significantly improve its EBT margin from 2.9 per cent in the prior year to 4.0 per cent in the period under review.

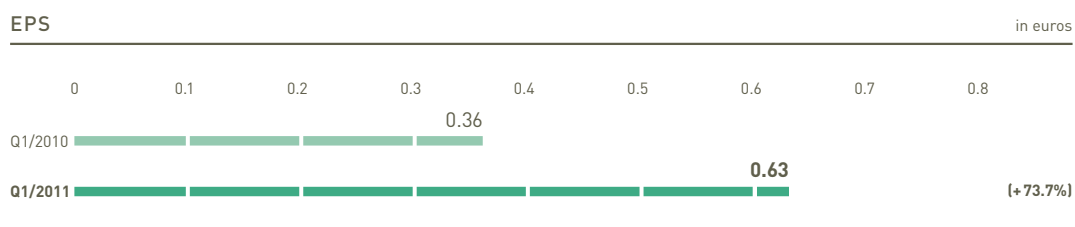
#### EBT AND EBT MARGIN

in million euros and per cent



In the quarter under review, income tax expenses increased above average by 85.1 per cent to 4.9 million euros (prior year: 2.7 million euros). Accordingly, the tax ratio increased from 25.9 per cent in the prior year to 27.2 per cent in the period under review. This was mainly because of tax-reducing structural measures taken in the group, which had resulted in a lower tax burden in the prior year.

In the first quarter of 2011, earnings after taxes skyrocketed by 73.7 per cent to 13.2 million euros (prior year: 7.6 million euros). The net margin thus improved from 2.1 per cent to 2.9 per cent. On the basis of 21.0 million shares, the earnings per share after the first three months amounted to 0.63 euros, compared to 0.36 euros in the prior year.



At segment level, the earnings situation was as follows:

In the first quarter of 2011, EBIT in the IT system house & managed services segment increased by an above-average 119.7 per cent to 10.1 million euros (prior year: 4.6 million euros). This was mainly due to the absolute increase in gross earnings and the disproportionately low development of the functional costs. The EBIT margin improved from 2.0 per cent to 3.4 per cent. All regions contributed to this development.

In the IT e-commerce segment, the sustained healthy demand in the IT industry was also clearly evident in the first quarter. In this segment, Bechtle achieved EBIT of 7.7 million euros, 46.1 per cent more than in the prior year (5.3 million euros). The earnings were reduced by the start-up costs of the new companies. However, the margin in this segment improved from 4.2 per cent to 4.8 per cent.

#### EBIT – GROUP AND SEGMENTS

	in thousand euros		
	Q1/2011	Q1/2010	Change
<b>Group</b>	<b>17,847</b>	<b>9,894</b>	<b>80.4%</b>
IT system house & managed services	10,126	4,608	119.7%
IT e-commerce	7,721	5,286	46.1%

## ASSETS AND FINANCIAL POSITION

- Sound balance sheet structure evident in all key figures
- Liquidity situation continues to be very comfortable
- Equity ratio above 60 per cent

As of 31 March 2011, the balance sheet total of the Bechtle Group amounted to 635.1 million euros, 18.6 million euros or 2.8 per cent below the figure of 31 December 2010.

### Development of the Assets

On the assets side, the greatest change involved the current assets. This item dropped by 6.4 per cent to 419.0 million euros. At the beginning of the year, inventories increased, reaching 88.9 million euros, a share of 14.0 per cent of the total assets (31 December 2010: 75.1 million euros; 11.5 per cent). At the same time, however, the increase in time deposits and securities caused cash and cash equivalents to drop by 17.0 million euros to 68.5 million euros, and trade receivables declined by 26.5 million euros to 222.5 million euros for reasons related to the reporting date. The average DSO (days sales outstanding) increased slightly from 35.1 days in the prior year to 35.8 days in the first quarter of 2011. Other current assets also declined, totaling 17.8 million euros, 4.1 million euros below the figure of 31 December. This item is mainly characterised by refunds and other receivables from manufacturers and suppliers, which are usually higher towards the end of the year than during the year.

Non-current assets increased by 4.8 per cent or 9.8 million euros from 206.3 million euros to 216.0 million euros. The rise was made up almost entirely of the increase of 10.0 million euros in long-term time deposits and securities. As of 31 March 2011, these amounted to 40.7 million euros. Accordingly, the capitalisation ratio (ratio of non-current assets to balance sheet total) increased from 31.6 per cent to 34.0 per cent.

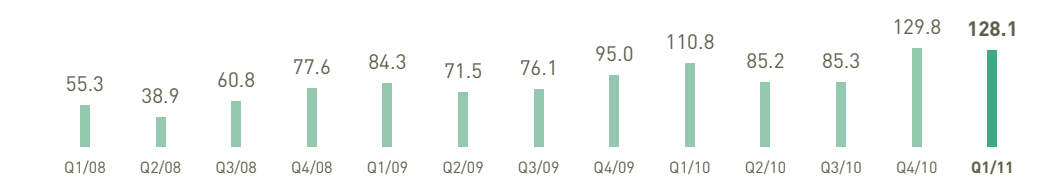
As of the balance sheet date, cash and cash equivalents including short and long-term time deposits and securities amounted to 128.1 million euros (31 December 2010: 129.8 million euros).



See Opportunities and Risks, page 18

### LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

in million euros



## Development of the Equity and Liabilities

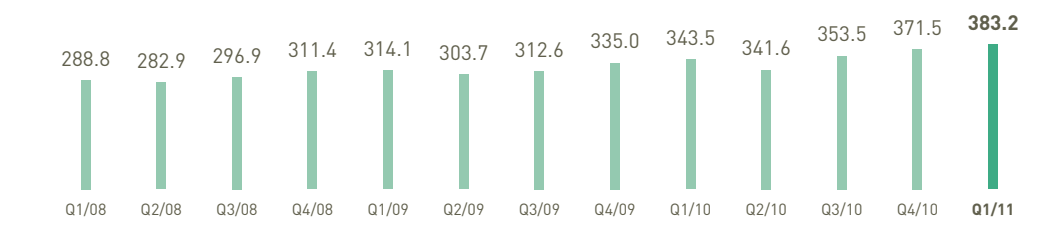
On the equity and liabilities side, current liabilities dropped to 205.7 million euros as of 31 March 2011 (31 December 2010: 235.5 million euros). At 21.0 million euros, other liabilities underwent the greatest change. This was the result of the decrease by about 7 million euros in personnel liabilities due to commission payments and a decrease of about 10 million euros in VAT liabilities. For reasons related to the reporting date, trade payables dropped by 9.2 million euros to 119.8 million euros. Tax payables also decreased.

As of 31 March 2011, non-current liabilities remained at a level of 46.2 million euros (31 December 2010: 46.7 million euros).

Due to the increase in retained earnings, the equity increased from 371.5 million euros to 383.2 million euros as of 31 March 2011. Thus, the equity ratio went up from 56.8 per cent to 60.3 per cent.

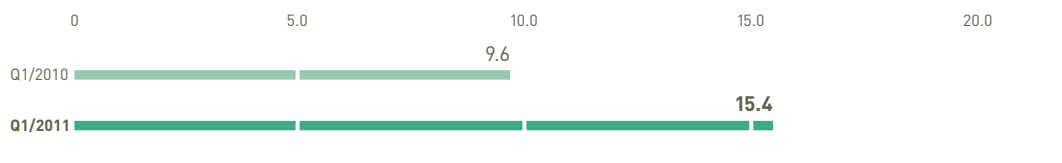
### EQUITY

in million euros



### RETURN ON EQUITY

in per cent

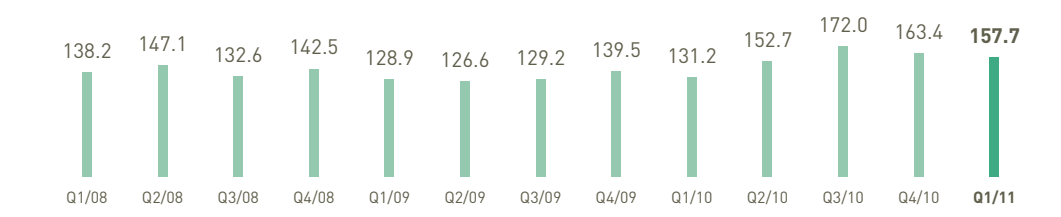


In the first three months of the current fiscal year, the equity to non-current assets ratio dropped slightly from 180.1 per cent as of 31 December 2010 to 177.4 per cent. Due to the group's persistently comfortable liquidity, the net indebtedness (financial liabilities less cash, cash equivalents, time deposits and securities) yielded a largely unchanged figure of minus 111.7 million euros (31 December 2010: minus 112.7 million euros). Due to the increase in equity, the debt ratio (ratio of borrowed capital to equity) improved from 0.76 to 0.66 as of 31 March 2011.

Following the high business volume towards the end of the year, Bechtle was able to reduce the working capital from 163.4 million euros to 157.7 million euros in the first quarter of 2011. In relation to the balance sheet total, it amounted to 24.8 per cent as of 31 March 2011, compared to 25.0 per cent as of 31 December 2010.

#### WORKING CAPITAL

in million euros



#### BALANCE-SHEET KEY FIGURES OF THE BECHTLE GROUP

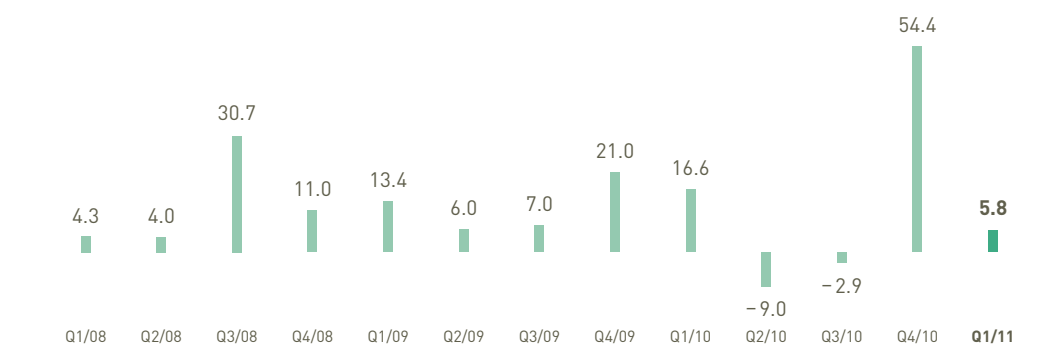
		31.03.2011	31.12.2010
Balance-sheet total	mill. euros	635.1	653.7
Cash and cash equivalents including time deposits and securities	mill. euros	128.1	129.8
Equity	mill. euros	383.2	371.5
Equity ratio	%	60.3	56.8
Equity to non-current assets ratio	%	177.4	180.1
Net indebtedness	mill. euros	-111.7	-112.7
Debt ratio		0.66	0.76
Working capital	mill. euros	157.7	163.4

## Development of the Cash Flow

Year on year, the net cash generated from ongoing business activities in the period from January to March 2011 fell from 16.6 million euros to 5.8 million euros. This was mainly due to changes in net assets resulting primarily from the continuously positive business performance. Though the significant increase in earnings in the reporting period was accompanied by a cash inflow from the reduction of trade receivables in the amount of 24.5 million euros (prior year: 12.0 million euros), the company recorded a cash outflow of 14.3 million euros (prior year: 2.2 million euros) due to the much higher stock levels for the purpose of preventing potential supply bottlenecks because of the natural disaster in Japan and a cash outflow of 8.4 million euros (prior year: cash inflow of 3.7 million euros) from the reduction of trade payables. The change in other net assets with a cash outflow of 15.1 million euros (prior year: 1.4 million euros) also contributed to this development. This was mainly due to the reduction of personnel liabilities in the form of commission payments and the reduction of VAT liabilities.

### CASH FLOW FROM OPERATING ACTIVITIES

in million euros



Year on year, the net cash used for investments in the first three months of 2011 fell from 47.0 million euros to 21.0 million euros. While the group spent 44.7 million euros on time deposits and securities in the first quarter of the prior year, this amount totalled 15.8 million euros in the reporting quarter. In contrast, payments for the purchase of intangible assets and property, plant and equipment increased from 2.4 million euros in the prior year to 5.9 million euros in the period under review, mainly due to the commenced building activities in Neckarsulm, Germany, and the associated purchase of additional land at the headquarters of Bechtle AG.

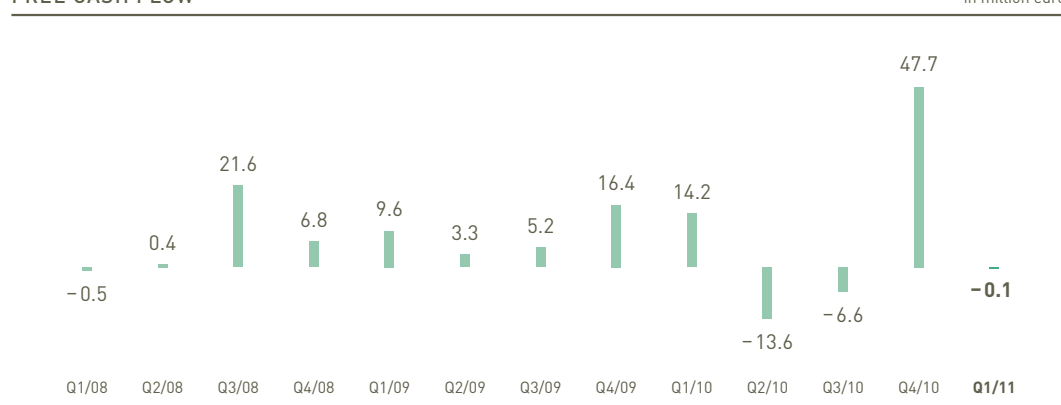
In the reporting quarter, the cash flow from financing activities underwent a cash outflow of 0.7 million euros, following a cash inflow of 0.4 million euros in the prior year. This item is largely made up of the repayment of financial liabilities amounting to 0.5 million euros (prior year: 0.1 million euros).



As expected, the free cash flow in the first quarter amounted to minus 0.1 million euros (prior year: 14.2 million euros). In this context, the much lower cash inflow from operating activities due to the continually strong business performance and the payments for investments of Bechtle AG had a particular impact.

## FREE CASH FLOW

in million euros

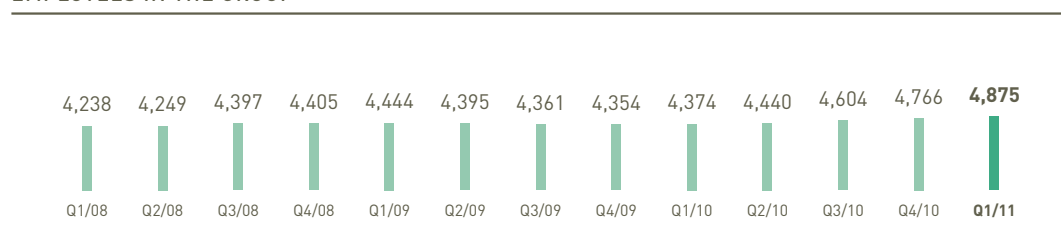


## EMPLOYEES

- Number of employees up due to positive business performance
- High training ratio
- Disproportionately low increase in personnel and social expenses

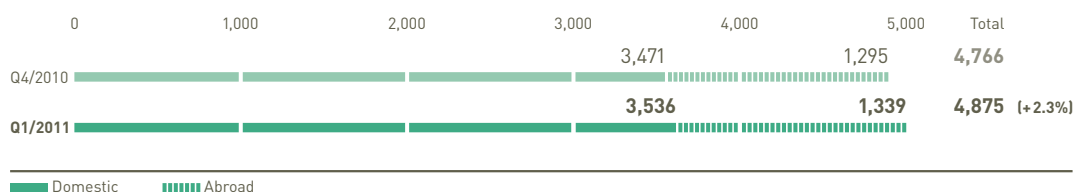
As of the reporting date 31 March 2011, the Bechtle Group had a total of 4,875 employees, including 291 trainees and individuals on parental leave or in military or civilian service (31 December 2010: 4,766 employees, including 306 trainees). Thus, the number of employees in the group went up by 109 in the first quarter of the current fiscal year. The rise mainly resulted from new recruitment in connection with the increased need in order to enable organic growth.

## EMPLOYEES IN THE GROUP



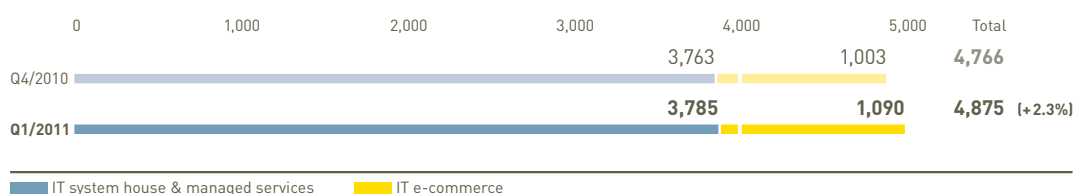
With 3,536 employees, Germany accounts for more than three quarters of the personnel (31 December 2010: 3,471 employees). The number of employees working for the group abroad is 1,339, compared to a total of 1,295 at the beginning of the fiscal year.

#### EMPLOYEES BY REGIONS



As of the reporting date 31 March, the IT system house & managed services segment had a total of 3,785 employees. Thus, the number of employees increased by 22 in the first three months of the fiscal year (31 December 2010: 3,763 employees). The headcount in the IT e-commerce segment climbed to a total of 1,090 as of the end of the reporting period. This means that this segment had 87 employees more than as of 31 December 2010 (1,003 employees).

#### EMPLOYEES BY SEGMENTS



The average headcount in the group during the first three months of 2011 amounted to 4,825, a number that significantly exceeded the prior-year figure of 4,357. Of this number, the IT system house & managed services segment accounted for an average of 3,762 employees, compared to an average of 3,429 employees in the corresponding prior-year period. IT e-commerce had 1,063 employees on average (prior year: 928 employees).



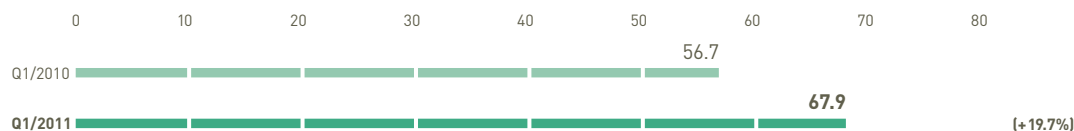
#### High training ratio

As of the end of the reporting period, the company had a total of 291 young trainees (prior year: 306), including 42 junior staff members abroad. Due to the considerable increase in average full-time jobs, the training ratio fell slightly from 6.5 per cent to 6.3 per cent in the first quarter of 2011. Bechtle continues to pursue the goal of raising the training ratio in Germany to about 12 per cent.

In the period from January to March 2011, personnel and social expenses totalled 67.9 million euros, 19.7 per cent more than in the prior year (56.7 million euros). Due to the higher revenue, the expense ratio decreased from 16.0 per cent to 14.9 per cent. Based on an average number of 4,443 (prior year: 3,999) full-time employees, personnel and social expenses per employee increased from 14.2 thousand euros to 15.3 thousand euros, an increase of 7.8 per cent.

## PERSONNEL AND SOCIAL EXPENSES

in million euros



## RESEARCH AND DEVELOPMENT

As a pure service and trading company, Bechtle is not involved in any research activities. Software and application development activities are only conducted to a very limited extent, and principally for internal purposes. There were no notable development activities in the reporting period.

## OPPORTUNITIES AND RISKS

- Economic situation offers opportunities for positive business performance
- No mission-critical risks noticeable

In line with the long-term focus of Bechtle's strategy and business management, the opportunities and risks for the coming months are basically the same as presented in the annual report 2010.



See  
Annual Report 2010,  
page 106 ff

The improvement of the economic situation, which was already evident in the last fiscal year, continued without let-up in the first three months of 2011. The continuously high demand trend as well as price increases in some IT sub-areas resulted in growing revenues in both business segments. Market research institutes expect this development to continue until the end of the year. For this reason, the Bechtle Group assumes that the risks and opportunities described in the annual report 2010 will persist, especially in terms of economic trends and the cyclical nature of the industry.

The tense budget situation in some European countries could impact the willingness of government institutions to invest. This, in turn, could affect the business of Bechtle AG in the public sector division. However, in the short to medium term, the growing tax income due to the good economic performance of businesses could have a positive effect on the public sector's willingness to invest.

Moreover, the natural disaster in Japan and its consequences could affect the global supply chain on the IT market. This could result in increased supply bottlenecks and delays and further price increases in various product groups in the coming months. To counter this availability risk, Bechtle AG keeps higher stock levels and engages in active supplier management. The latter, for example, enables the group to find alternative procurement sources within the partner landscape of more than 600 distributors and about 300 manufacturers at short notice.

#### NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD



[www.solidline.de](http://www.solidline.de)

Following the acquisition of SolidPro GmbH last year, Bechtle made another step to strengthen its foothold in the field of CAD, acquiring SolidLine AG, the leading system house partner of the CAD software manufacturer Solidworks, in April. Established in 1996 and headquartered in Walluf, near Wiesbaden, Germany, SolidLine has 13 subsidiaries and training centres throughout Germany and holds 100 per cent of the interests in the Swiss Solid Solutions AG, with locations in Zurich, Arbon and Schönbühl. In the fiscal year 2010, the profitable CAD specialists generated revenues of about 32 million euros with its 160 employees. The group concentrates on solutions developed by the Dassault Systèmes SolidWorks Corporation. The Windows-based products for the design, analysis and evaluation of the environment compatibility, product data management and documentation are suitable for enterprises of all sizes. The customer focus is on the mechanical and plant engineering, tool and mouldmaking, industrial design and medical technology sectors. During the preparation of the report, the takeover was still pending approval of the antitrust authorities.



[www.bechtle.cz](http://www.bechtle.cz)

On 1 April 2011, the Bechtle Group went live with its newly established IT e-commerce company in the Czech Republic. Thus, the trading division Bechtle direct is present in 13 countries throughout Europe. After Poland, the Czech Republic is the second Eastern European market in which Bechtle has gained a foothold.

## SHARE

### ■ Stock markets affected by the events in Japan

### ■ Bechtle share holds its level

### ■ EPS in the first quarter 0.63 euros

For the capital markets, the first quarter of 2011 was turbulent. Following a positive start to the year, the euro financial crisis influenced the scene from February onwards, with rating downgrades for Greece and Spain, as well as for Portugal in March. The main burden, however, was the rising oil price due to the uprisings in the Arab countries. In March, the catastrophe in Japan hit the stock markets. The malfunction in the Fukushima nuclear power plant resulted in a strong wave of sales on the stock markets, which also affected German shares, in particular. However, the price losses were partly made up for by the end of the first quarter.

All in all, the TecDAX was only slightly affected by the geopolitical events. Following its weak performance in 2010, it mainly benefited from catch-up effects in the first quarter. From the closing level of 860.05 on 3 January, the index first made a lateral movement, which culminated in a slightly positive trend in February. In the wake of the events in Japan, the TecDAX first receded, reaching its quarterly low of 854.83 on 16 March. However, it recovered quickly and picked up considerably towards the end of the month, reaching its quarterly high of 930.61 on 31 March. All in all, the index thus gained 8.2 per cent in the first quarter.

#### THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2005 TO APRIL 2011

in euros



In the first quarter, the Bechtle share generally moved laterally, with occasional negative trends. At the beginning of the year, the share was quoted at 30.39 euros. Shortly thereafter, on 12 January, it reached its quarterly high of 30.99 euros. Until mid-February, the share remained at a level of about 30 euros. Thereafter, the rate dropped to 26.52 euros. Unfortunately, the subsequent recovery was overshadowed by the events in Japan. The Bechtle share thus reached its quarterly low of 26.31 euros on 16 March. Following the publication of the business figures for 2010, a considerable recovery started in the second half of the month, so that the share closed at 29.83 euros on 31 March, only 1.8 per cent below the value at the beginning of the quarter. As of 31 March, the market cap amounted to 626.4 million euros.

#### TRADING DATA OF THE BECHTLE SHARE

		Q1/2011	Q1/2010	Q1/2009	Q1/2008	Q1/2007	Q1/2006
Price at the beginning of the quarter	€	30.39	18.65	13.28	27.86	19.45	16.82
Price at the end of the quarter	€	29.83	22.77	12.00	19.97	21.95	20.45
High	€	30.99	22.88	14.00	27.86	23.00	22.20
Low	€	26.31	17.01	10.02	18.35	19.45	16.82
Performance – absolute	€	–0.56	+4.12	–1.28	–7.89	+2.50	+3.63
Performance – relative	%	–1.8	+22.1	–9.6	–28.3	+12.9	+21.6
Market cap – total <sup>1</sup>	mill. euros	626.4	478.2	254.4	423.4	465.3	433.5
Av. turnover/trading day <sup>2</sup>	shares	33,202	33,995	27,846	95,941	52,397	73,040
Av. turnover/trading day <sup>2</sup>	€	946,245	675,245	351,765	2,039,657	1,115,809	1,438,109

Xetra closing price data

<sup>1</sup>As of 31 March

<sup>2</sup>All German stock exchanges

In the first quarter, the trading volume of the Bechtle share remained at the prior-year level. On average, 33,202 shares were traded on every trading day, compared to 33,995 shares in the prior-year quarter, though these had been traded at much lower rates. Accordingly, the trading volume in euros increased by more than 40 per cent from an average of 675,245 euros per trading day in the prior year to 946,245 euros in the period under review.

In Deutsche Börse's March ranking, Bechtle improved slightly compared to the prior year. Among the TecDAX stocks, the company reached 21st place in terms of market cap (prior year: 22nd place) and 31st place in terms of stock exchange turnover, as in the prior year.

Since its IPO in 2000, Bechtle has been pursuing a shareholder-friendly dividend policy that is focused on continuity. In the TecDAX, the company is still one of the few companies that have continued to distribute profits to shareholders year after year since their IPO. Dividend continuity is very important to the shareholders of Bechtle AG. Therefore, the shareholders are to duly participate in the company's success in this year, too. For the fiscal year 2010, the Executive Board and the Supervisory Board propose to the Annual General Meeting to distribute a dividend of 0.75 euros per share. This represents a dividend increase of 0.15 euros per share. In relation to the quarterly closing rate, the dividend yield is 2.5 per cent (prior year: 2.6 per cent).



## EARNINGS PER SHARE

		Q1/2011	Q1/2010	Change
Earnings after taxes	thou. euros	13,175	7,587	73.7%
Ø number of shares	thou. shares	21,000	21,000	
Earnings per share	€	0.63	0.36	73.7%

## FORECAST

- Economic growth at high level
- Momentum could abate in the course of the year
- Bechtle expects continuation of the positive business performance

## Macroeconomic Environment

The growth dynamics in the euro area are expected to remain at a high level. For the second quarter, the European Commission predicts an increase of 0.3 per cent compared to the prior quarter, and rates of 0.4 per cent are expected for the third and fourth quarters, respectively. For the year as a whole, the commission predicts a growth of 1.6 per cent, a level corresponding to that of the prior year with 1.7 per cent. The growth rates in the large national economies in the euro area are highly homogeneous, ranging from 0.3 to 0.4 per cent in the individual quarters. Only Germany, with 0.5 per cent in the third and fourth quarters, and Spain, with 0.2 per cent in the second quarter, are slightly outside this range.



ec.europa.eu

In Germany, the GDP growth in the second quarter is expected to outperform the prior quarter by 0.4 per cent and by 0.5 per cent in the next two quarters. Thus, the strong performance of 2010 will not be fully reached, though the dynamics will remain at a high level. A growth of 2.4 to 2.8 per cent is expected for the year 2011 as a whole.

Investments for equipment, which are relevant for Bechtle and represent an important indicator for the spending behaviour of the industry, are also expected to rise. In their spring forecasts, leading business research institutes project 13.0 per cent for the first half of 2011 and 8.3 per cent for the second half of the year. Government expenditure, too, is to continue to grow, though at a below-average rate. A growth of 1.4 per cent is predicted for the first half of the year, and of 1.2 per cent for the second.

## Industry



[www.eito.com](http://www.eito.com)

For 2011, noticeable growth is expected in the IT industry. According to the market research institute EITO, the IT market in the EU is to grow by 3.9 per cent in 2011. All three segments – hardware, software and services – are expected to provide almost equal contributions to this growth. In the hardware segment, the growth is expected to be especially strong in the area of workstations and mobile computers. However, the future hardware business on the larger IT markets of the EU cannot maintain the high growth rates of the prior year, some of which reached the two-digit level. The figures range from about 2 per cent in the Netherlands and Spain to about 5 per cent in France and Germany. The IT market in Switzerland is expected to grow by about 3 per cent. Here, too, the growth contributions are evenly distributed over the subsegments.



[www.bitkom.org](http://www.bitkom.org)

The March forecast of the industry association BITKOM points to a 4.3-per-cent growth of the IT market in Germany. Thus, the performance in this industry would be better than the macroeconomic performance expected for 2011. The volume of 69 billion euros is about the same as in 2008. The greatest growth of 5.6 per cent is expected in the hardware segment. BITKOM expects a growth of 4.5 per cent in software revenues. A growth rate of 3.5 per cent is predicted for the IT services segment.

## Performance of the Bechtle Group

In the opinion of the Executive Board, the Bechtle Group holds an excellent position in the area of hardware and software trading throughout Europe, and in the provision of IT services in Germany, Austria and Switzerland. Bechtle is optimistic about the remainder of the year. The incoming orders at the beginning of the second quarter support this view, though the momentum is expected to abate in the course of the year. All in all, the management expects a considerable revenue growth along with a significant improvement of the earnings in the fiscal year 2011.

The market outlook for the economic performance in 2011 is also positive. Bechtle is benefiting from duly implemented measures to increase competitiveness as well as from the economic trend, which has triggered an increase in the investment volume in the industry. Bechtle should be able to exploit the potential to an above-average degree even if the economic dynamics were to cool down.

Bechtle direct is consistently pursuing its international growth strategy. Having launched our new offices in Poland and the Czech Republic, we are now preparing to enter the Hungarian market. This step into another Eastern European country serves to expand the company's presence in this region and support its goal of becoming the European market leader.

All in all, the integration of the acquired system houses, the start-up of the new e-commerce companies and the progress of the large projects with industrial customers and in the public sector division are just as decisive for the success of Bechtle AG in the coming year as the macroeconomic development.

## Forward-Looking Statements

This interim financial report contains statements that relate to the future performance of Bechtle AG. Such statements are based on assumptions and estimates. Though the Executive Board believes that these forward-looking statements are realistic, this cannot be guaranteed. The assumptions are subject to risks and uncertainties that may result in consequences that differ substantially from those anticipated.

Bechtle's accounting and financial reporting policies comply with the International Financial Reporting Standards (IFRS) as endorsed by the EU. Due to rounding differences, percentages stated in the report may differ slightly from the corresponding amounts in million euros. Similarly, totals may differ from the individual values.

Neckarsulm, 10 May 2011

Bechtle AG

The Executive Board

## CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

from 1 January to 31 March 2011 (2010)

in thou. euros

	01.01.– 31.03.2011	01.01.– 31.03.2010
Revenue	456,107	354,758
Cost of sales	390,216	304,772
<b>Gross profit</b>	<b>65,891</b>	<b>49,986</b>
Distribution costs	27,966	22,104
Administrative expenses	22,723	19,423
Other operating income	2,645	1,435
<b>Operating earnings</b>	<b>17,847</b>	<b>9,894</b>
Financial income	379	459
Financial expenditure	130	108
<b>Earnings before taxes</b>	<b>18,096</b>	<b>10,245</b>
Income taxes	4,921	2,658
<b>Earnings after taxes (attributable to shareholders of Bechtle AG)</b>	<b>13,175</b>	<b>7,587</b>
<b>Net earnings per share (basic and diluted) in euros</b>	<b>0.63</b>	<b>0.36</b>
<b>Weighted average shares outstanding (basic and diluted) in thousand</b>	<b>21,000</b>	<b>21,000</b>



Details can be found in the Notes to the Consolidated Interim Financial Statements, particularly in item IV. "Notes to the Income Statement and to the Consolidated Statement of Comprehensive Income", page 32

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January to 31 March 2011 (2010)

in thou. euros

	01.01.– 31.03.2011	01.01.– 31.03.2010
<b>Earnings after taxes</b>	<b>13,175</b>	<b>7,587</b>
<b>Other comprehensive income</b>		
Actuarial profit and loss in pension provisions	510	–359
Income tax effect	–92	75
Unrealised profit and loss on securities	–146	–193
Income tax effect	12	35
Unrealised profit and loss on financial derivatives	193	–42
Income tax effect	–56	12
Currency exchange differences of net investments in foreign operations	0	64
Income tax effect	0	0
Hedging of net investments in foreign operations	1,664	–1,526
Income tax effect	–484	444
Changes in difference from foreign currency translation	–3,036	2,449
<b>Total other comprehensive income</b>	<b>–1,435</b>	<b>959</b>
Of which income tax effect	–620	566
<b>Total comprehensive income (attributable to shareholders of Bechtle AG)</b>	<b>11,740</b>	<b>8,546</b>



Details can be found in the Notes to the Consolidated Interim Financial Statements, particularly in item IV. "Notes to the Income Statement and to the Consolidated Statement of Comprehensive Income", page 32

## CONSOLIDATED BALANCE SHEET

as of 31 March 2011 (2010)

### ASSETS

in thou. euros

	31.03.2011	31.12.2010	31.03.2010
<b>Non-current assets</b>			
Goodwill	114,833	115,835	107,305
Other intangible assets	16,532	17,698	14,079
Property, plant and equipment	31,990	29,162	27,293
Trade receivables	131	231	57
Tax receivables	156	156	171
Deferred taxes	9,919	10,652	10,364
Other assets	1,846	1,870	2,282
Time deposits and securities	40,650	30,654	39,011
<b>Total non-current assets</b>	<b>216,057</b>	<b>206,258</b>	<b>200,562</b>
<b>Current assets</b>			
Inventories	88,948	75,056	61,644
Trade receivables	222,511	249,046	173,250
Tax receivables	2,374	2,380	1,466
Other assets	17,757	21,880	12,752
Time deposits and securities	18,927	13,619	24,505
Cash and cash equivalents	68,522	85,477	47,299
<b>Total current assets</b>	<b>419,039</b>	<b>447,458</b>	<b>320,916</b>
<b>Total assets</b>	<b>635,096</b>	<b>653,716</b>	<b>521,478</b>



Details can be found in the Notes to the Consolidated Interim Financial Statements, particularly in item V. "Notes to the Balance Sheet and to the Statement of Changes in Equity", page 33



## EQUITY AND LIABILITIES

in thou. euros

	31.03.2011	31.12.2010	31.03.2010
<b>Equity</b>			
Issued capital	21,000	21,000	21,000
Capital reserve	145,228	145,228	145,228
Retained earnings	216,995	205,255	177,279
<b>Total equity</b>	<b>383,223</b>	<b>371,483</b>	<b>343,507</b>
<b>Non-current liabilities</b>			
Pension provisions	12,784	13,227	8,957
Other provisions	882	810	247
Financial liabilities	11,846	12,266	6,521
Trade payables	0	0	49
Deferred taxes	13,401	13,209	11,716
Other liabilities	425	650	300
Deferral items	6,872	6,565	5,095
<b>Total non-current liabilities</b>	<b>46,210</b>	<b>46,727</b>	<b>32,885</b>
<b>Current liabilities</b>			
Other provisions	5,244	5,338	3,395
Financial liabilities	4,563	4,812	3,227
Trade payables	119,827	129,060	83,706
Tax payables	5,214	6,337	3,640
Other liabilities	43,589	64,624	36,265
Deferral items	27,226	25,335	14,853
<b>Total current liabilities</b>	<b>205,663</b>	<b>235,506</b>	<b>145,086</b>
<b>Total equity and liabilities</b>	<b>635,096</b>	<b>653,716</b>	<b>521,478</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

from 1 January to 31 March 2011 (2010)

in thou. euros

	Issued capital	Capital reserves	Retained earnings			Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Change in equity recognised directly in equity	Total	
<b>Equity as of 1 January 2010</b>	<b>21,000</b>	<b>145,228</b>	<b>173,335</b>	<b>-4,602</b>	<b>168,733</b>	<b>334,961</b>
Earnings after taxes			7,587		7,587	7,587
Other comprehensive income				959	959	959
Total comprehensive income	0	0	7,587	959	8,546	8,546
<b>Equity as of 31 March 2010</b>	<b>21,000</b>	<b>145,228</b>	<b>180,922</b>	<b>-3,643</b>	<b>177,279</b>	<b>343,507</b>
<b>Equity as of 1 January 2011</b>	<b>21,000</b>	<b>145,228</b>	<b>207,157</b>	<b>-1,902</b>	<b>205,255</b>	<b>371,483</b>
Earnings after taxes			13,175		13,175	13,175
Other comprehensive income				-1,435	-1,435	-1,435
Total comprehensive income	0	0	13,175	-1,435	11,740	11,740
<b>Equity as of 31 March 2011</b>	<b>21,000</b>	<b>145,228</b>	<b>220,332</b>	<b>-3,337</b>	<b>216,995</b>	<b>383,223</b>



Details can be found in the Notes to the Consolidated Interim Financial Statements, particularly in item V. "Explanatory Notes on the Balance Sheet and the Statement of Changes in Equity", page 33

## CONSOLIDATED CASH FLOW STATEMENT

from 1 January to 31 March 2011 (2010)

in thou. euros

	01.01.– 31.03.2011	01.01.– 31.03.2010
<b>Operating activities</b>		
<b>Earnings before taxes</b>	<b>18,096</b>	<b>10,245</b>
Adjustment for non-cash income/expenses		
Financial earnings	-249	-356
Depreciation and amortisation in intangible assets and property, plant and equipment	3,894	3,665
Earnings on disposals of intangible assets and property, plant and equipment	-5	27
Other non-cash expenses/income	642	-333
<b>Changes in net assets</b>		
Changes in inventories	-14,326	-2,241
Changes in trade receivables	24,508	12,038
Changes in trade payables	-8,439	3,701
Changes in accruals and deferrals	2,293	-4,576
Changes in other net assets	-15,058	-1,399
Income taxes paid	-5,535	-4,186
<b>Cash flow from operating activities</b>	<b>5,821</b>	<b>16,585</b>
<b>Investing activities</b>		
Cash paid for investments in intangible assets and property, plant and equipment	-5,912	-2,447
Cash received from sale of intangible assets and property, plant and equipment	18	23
Cash paid for the acquisition of time deposits and securities	-15,761	-44,720
Cash received from sale of time deposits and securities as well as from paybacks of non-current assets	0	27
Interest payments received	692	154
<b>Cash flow from investing activities</b>	<b>-20,963</b>	<b>-46,963</b>
<b>Financing activities</b>		
Cash paid for finance liabilities	-540	-119
Cash received from finance liabilities	0	648
Interest paid	-111	-87
<b>Cash flow from financing activities</b>	<b>-651</b>	<b>442</b>
Exchange-rate-related changes in cash and cash equivalents	-1,162	768
<b>Changes in cash and cash equivalents</b>	<b>-16,955</b>	<b>-29,168</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>85,477</b>	<b>76,467</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>68,522</b>	<b>47,299</b>



Details can be found in the Notes to the Consolidated Interim Financial Statements, particularly in item VI. "Explanatory Notes on the Cash Flow Statement", page 35

## NOTES

### I. GENERAL DISCLOSURES

Bechtle AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and as such is required under Section 315a of the German Commercial Code (HGB) to prepare its Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. Accordingly, this interim financial report as of 31 March 2011 has been prepared in accordance with the IFRS.

In accordance with IAS 34, the scope of the presentation used in this interim financial report as of 31 March 2011 is significantly reduced compared to the consolidated financial statements as of the end of the fiscal year. Additionally, the requirements of the German Accounting Standard No. 16 (DRS 16) and of Section 66 of the Stock Exchange Rules and Regulations of the Frankfurt stock exchange that exceed IAS 34 have been taken into consideration and fully met.

Our business activity is subject to certain seasonal fluctuations during the year. In the past, the revenues and earnings contributions used to experience their lowest trend in the first quarter and their highest trend in the fourth quarter due to the traditionally strong year-end business. Therefore, the interim results only qualify as indicators for the events of the fiscal year to a limited extent.

### II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION

In the period under review, Bechtle adopted the new and revised standards and interpretations of the following new accounting pronouncements, which had been published by the IASB/IFRIC and endorsed by the EU, for the first time. The effective dates specified for the mandatory adoption also originate from the respective EU directive:

Standard	Publication by IASB/IFRIC	Endorsement	Effective date <sup>1</sup>
<b>Standards and interpretations to be adopted for the first time in the current fiscal year</b>			
Amendments to IFRS: Improvements to International Financial Reporting Standards (IASB 2010)	6 May 2010	18 February 2011	1 July 2010– 1 January 2011

<sup>1</sup> Must be adopted at the latest at the beginning of the first fiscal year commencing on or after the said date.

For Bechtle, these amendments to the IFRS, which took place within the scope of the annual update procedure in the form of the third published omnibus standard, did not result in any significant consequences or changes to the assets, financial and earnings position and their presentation in this interim financial report.

Bechtle had already adopted the new and amended standards and interpretations whose adoption is mandatory for the fiscal year 2011 ahead of time for the consolidated financial statements for the fiscal year 2010.

Apart from this, the same key principles of accounting and consolidation were applied as in the consolidated financial statements for the fiscal year 2010. For further information, please refer to the consolidated financial statements as of 31 December 2010, which form the basis for these interim financial statements. These can be accessed online at [www.bechtle.com/ar2010](http://www.bechtle.com/ar2010).



[www.bechtle.com/ar2010](http://www.bechtle.com/ar2010)

## Income Taxes

In accordance with IAS 34, the determination of the tax expense in the interim period takes place on the basis of the effective tax rate expected for the entire fiscal year. Taxes related to extraordinary events are taken into consideration in the quarter in which the underlying event occurs.

### III. SCOPE OF CONSOLIDATION

The scope of consolidation comprises Bechtle AG in Neckarsulm, Germany, and all subsidiaries in which it holds a controlling interest. As in the prior year, Bechtle AG directly or indirectly holds all interests in all consolidated companies.

The following companies were included in the consolidated financial statements for the first time in this reporting period:

Company	Headquarters	Date of initial consolidation	Acquisition/foundation
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm, Germany	23.02.2011	Foundation

#### IV. NOTES TO THE INCOME STATEMENT AND TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

##### Expense Structure

in thou. euros

	Cost of sales		Distribution costs		Administrative expenses	
	01.01.– 31.03.2011	01.01.– 31.03.2010	01.01.– 31.03.2011	01.01.– 31.03.2010	01.01.– 31.03.2011	01.01.– 31.03.2010
Material costs	349,103	269,432	0	0	0	0
Personnel expenses	31,256	26,863	21,509	16,659	15,148	13,217
Depreciation	1,840	1,610	985	963	1,069	1,092
Other operating expenses	8,017	6,867	5,472	4,482	6,506	5,114
<b>Total costs</b>	<b>390,216</b>	<b>304,772</b>	<b>27,966</b>	<b>22,104</b>	<b>22,723</b>	<b>19,423</b>

##### Other Operating Income

Other operating income mainly consisted of marketing grants and other payments of suppliers amounting to 1,804 thousand euros (prior year: 1,039 thousand euros) and income from currency translation differences amounting to 502 thousand euros (prior year: 226 thousand euros).

##### Earnings per Share

The table below shows the calculation of the earnings after taxes per share that are due to the shareholders of Bechtle AG:

	01.01.– 31.03.2011	01.01.– 31.03.2010
Earnings after taxes (in thousand euros)	13,175	7,587
Average number of shares	21,000,000	21,000,000
<b>Earnings per share (euros)</b>	<b>0.63</b>	<b>0.36</b>

Under IAS 33, the earnings per share are determined on the basis of the earnings after taxes (due to the shareholders of Bechtle AG) and the average number of shares in circulation in the year. Treasury shares would reduce the number of outstanding shares accordingly. The basic earnings per share are identical to the diluted earnings per share.



## Other Earnings

The other earnings and the change in this item in the period under review compared to the corresponding period in the prior year are mainly characterised by the development of the euro/Swiss franc exchange rate. While the Swiss franc gained considerable value against the euro in the first quarter of 2010, the exchange rate reversed in the period under review. Details on the composition of the other earnings, which are recognised directly in equity outside profit or loss, with respect to the change that this item underwent in the period under review and its accumulated balance as of the balance sheet date are presented in section V. “Notes to the Balance Sheet and to the Statement of Changes in Equity”.

## V. NOTES TO THE BALANCE SHEET AND TO THE STATEMENT OF CHANGES IN EQUITY

### Assets

The changes in the period under review, especially those concerning the trade receivables and the inventories, were mainly caused by the ongoing positive business performance and the high growth dynamics under consideration of the usual seasonal fluctuations during the year (see section I. “General Disclosures”).

Compared to the consolidated financial statements as of 31 December 2010, the assets of the Bechtle Group as of 31 March 2011 also contain the assets of the business operation acquired in the period under review (see section IX. “Acquisitions and Purchase Price Allocation”).

In the period under review, the shift of free cash and cash equivalents resulted in a higher balance of time deposits and securities.

### Equity

#### Retained Earnings

**Aggregate Profits, Dividends.** At the Annual General Meeting on 7 June 2011, the Executive Board and the Supervisory Board will propose to use the net profit for the fiscal year 2010, amounting to 15,750 thousand euros, for distributing a dividend amounting to 0.75 euros for each no-par share with dividend entitlement. Subject to the approval of the Annual General Meeting, the dividend will be paid out on 8 June 2011.

**Accumulated Earnings Outside Profit or Loss.** In terms of its accumulated balance as of the balance sheet date and its change during the period under review, the other earnings that are to be recognised directly in equity outside profit or loss were composed as follows:

	in thou. euros			
	31.03.2011	31.12.2010	01.01.– 31.03.2011	01.01.– 31.03.2010
Actuarial gains/losses from pension provisions	-13,561	-14,071	510	-359
Income tax effects	2,436	2,528	-92	75
Unrealised gains/losses from securities	-87	59	-146	-193
Income tax effects	7	-5	12	35
Unrealised gains/losses from financial derivatives	-46	-239	193	-42
Income tax effects	13	69	-56	12
Currency translation differences from net investments in foreign business operations	0	0	0	64
Income tax effects	0	0	0	0
Hedging of net investments in foreign business operations	-6,521	-8,185	1,664	-1,526
Income tax effects	1,899	2,383	-484	444
Currency translation differences	12,523	15,559	-3,036	2,449
<b>Accumulated earnings outside profit or loss</b>	<b>-3,337</b>	<b>-1,902</b>	<b>-1,435</b>	<b>959</b>

## Liabilities

The changes in the period under review, especially those concerning the liabilities and deferred items, were mainly caused by the ongoing positive business performance and the high growth dynamics under consideration of the usual seasonal fluctuations during the year (see section I. "General Disclosures").

Compared to the consolidated financial statements as of 31 December 2010, the liabilities of the Bechtle Group as of 31 March 2011 also contain the liabilities of the business operation acquired in the period under review (see section IX. "Acquisitions and Purchase Price Allocation").

## VI. EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

While the considerably increased earnings before taxes had a positive effect on the cash flow from operating activities in the period under review, this item was especially encumbered by changes in net assets that were primarily related to the sustained positive business performance with high growth dynamics. Thus, a significant build-up in inventories and an increased reduction of trade payables that was related to the reporting date resulted in higher cash outflows compared to the corresponding prior-year period.

The shift of free cash and cash equivalents to time deposits and securities affected the cash flow from investing activities considerably, though the balance in the period under review was still much lower than in the corresponding prior-year period.

## VII. OPERATING LEASES

The future minimum lease payments from rental and leasing contracts classified as “operating leases” according to IAS 17 amounted to 85,261 thousand euros as of 31 March 2011 (31 December 2010: 88,807 thousand euros).

	in thou. euros	
	31.03.11	31.12.10
Due within one year	20,831	21,324
Due between one and five years	40,174	42,126
Due after five years	24,256	25,357
<b>Total minimum lease payments</b>	<b>85,261</b>	<b>88,807</b>

## VIII. SEGMENT INFORMATION

The segment information is presented on the basis of the same principles as in the consolidated financial statements for the fiscal year 2010,

in thou. euros

	01.01.–31.03.2011			01.01.–31.03.2010		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
<b>By segments</b>						
Total segment revenues	296,457	160,455		228,066	127,051	
Less revenues with another segment	-677	-128		-297	-62	
External revenues	295,780	160,327	456,107	227,769	126,989	354,758
Depreciation/amortisation	2,993	901	3,894	2,604	1,061	3,665
<b>Operating earnings</b>	10,126	7,721	17,847	4,608	5,286	9,894
Financial earnings			249			351
<b>Earnings before taxes</b>			18,096			10,245
Income taxes			4,921			2,658
<b>Earnings after taxes</b>			13,175			7,587
Investments	4,450	1,462	5,912	1,751	295	2,046
Investments by changes in the scope of consolidation	0	0	0	0	0	0

in thou. euros

	31.03.2011			31.03.2010		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
<b>By segments</b>						
Total segment assets	413,050	222,471		435,676	218,134	
Minus receivables from another segment	-335	-90		-20	-74	
<b>Assets</b>	412,715	222,381	635,096	435,656	218,060	653,716
Total segment liabilities	161,899	90,399		188,261	94,066	
Minus liabilities to another segment	-90	-335		-74	-20	
<b>Liabilities</b>	161,809	90,064	251,873	188,187	94,046	282,233

in thou. euros

	01.01.–31.03.2011			01.01.–31.03.2010		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
<b>By regions</b>						
External sales	296,997	159,110	<b>456,107</b>	230,768	123,990	<b>354,758</b>
Investments	4,813	1,099	<b>5,912</b>	1,525	521	<b>2,046</b>
Investments by changes to the scope of consolidation	0	0	<b>0</b>	0	0	<b>0</b>

in thou. euros

	31.03.2011			31.03.2010		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
<b>By regions</b>						
Assets	363,383	271,713	<b>635,096</b>	376,934	276,782	<b>653,716</b>
Liabilities	156,926	94,947	<b>251,873</b>	183,057	99,176	<b>282,233</b>



Information on the number of employees by segments and regions is provided in section X, "Employees", page 39

## IX. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

### Partial Business Operation "Technologie Services Region Ost" (St. Gallen Branch) of redIT Services AG, Zug, Switzerland

As of the acquisition date 1 March 2011, the partial business operation "Technologie Services Region Ost" in St. Gallen was acquired from redIT Services AG, Zug, Switzerland.

Within the scope of this partial business operation takeover, which is to be recognised according to the purchase method (IFRS 3.4 ff), a customer base (248 thousand euros) and customer service agreements (209 thousand euros) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at their acquisition-date fair value (IFRS 3.18 ff) in addition to the assets (251 thousand euros) and liabilities (559 thousand euros) already recognised by the seller, whose carrying amounts corresponded to their fair values.

No deferred taxes were recognised in connection with the capitalisation of the customer base, which is amortised over a period of five years, and of the customer service agreements, which are amortised over a period of two years. There was no goodwill to be recognised.

The business activity of the acquired redIT branch St. Gallen focuses on complex infrastructure solutions in eastern Switzerland. Bechtle has taken over 18 employees of redIT and the infrastructure maintenance agreements of the existing customers as well as the office facilities of redIT, thereby strengthening its previous system house location St. Gallen.

As of the acquisition date, the takeover is reflected as follows in the balance sheet:

	in thou. euros
<b>Non-current assets</b>	
Goodwill	0
Other intangible assets	457
Property, plant and equipment	8
	<b>465</b>
<b>Current assets</b>	
Inventories	209
Other assets	34
	<b>243</b>
<b>Total assets</b>	<b>708</b>
<b>Current liabilities</b>	
Deferred items	559
	<b>559</b>
<b>Total liabilities</b>	<b>559</b>
<b>Total assets</b> – <b>Total liabilities</b> = <b>Cost of purchase</b>	<b>149</b>

The cost of purchase caused an outflow of cash and cash equivalents in the same amount.

Besides being insignificant in the Bechtle Group, the revenues and earnings contributions of the acquired partial business operation cannot be measured precisely, as the operation part does not operate and is not controlled separately but is integrated in a larger company unit.

## X. EMPLOYEES

The employee numbers were as follows:

	31.03.2011	31.12.2010	01.01.– 31.03.2011	01.01.– 31.03.2010
Full-time employees	4,501	4,372	4,443	3,999
Trainees	291	306	298	279
Employees on parental leave or in military or civilian service	83	88	84	79
Temporary staff	137	138	131	118
<b>Total</b>	<b>5,012</b>	<b>4,904</b>	<b>4,956</b>	<b>4,475</b>

The employee numbers (without temporary staff) break down by segments and regions as follows:

	31.12.2011	31.12.2010	01.01.– 31.03.2011	01.01.– 31.03.2010
IT system house & managed services	3,785	3,763	3,762	3,429
Domestic	3,150	3,129	3,141	2,847
Abroad	635	634	621	582
IT e-commerce	1,090	1,003	1,063	928
Domestic	386	342	370	305
Abroad	704	661	693	623

The employee numbers (without employees on parental leave or in military or civilian service and without temporary staff) break down by functional areas as follows:

	31.12.2011	31.12.2010	01.01.– 31.03.2011	01.01.– 31.03.2010
Service	2,259	2,203	2,224	2,074
Sales	1,510	1,458	1,506	1,265
Administration	1,023	1,017	1,011	939

## XI. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1 April 2011, Bechtle launched its activities in the Czech Republic. The company had been registered in 2010. Thus, the trading division Bechtle direct is present in 13 countries throughout Europe. After Poland, the Czech Republic is the second Eastern European market in which Bechtle has gained a foothold.

By signing the agreements of 12 April 2011 and 18 April 2011, Bechtle AG acquires all interests in Solid Line Aktiengesellschaft, Walluf (referred to as SolidLine) subject to the condition precedent that the statutory closing prohibition (Section 41 (1) of the German Act against Restraints of Competition (GWB)) is inapplicable due to approval, exemption from the closing prohibition by the antitrust authority, or expiry of the limitation periods.

On 19 April 2011, this business combination was communicated to the antitrust authority pursuant to Section 39 of the German Act against Restraints of Competition (GWB). Bechtle expects the purchase agreement and the business combination, which also represents the acquisition date (IFRS 3.8 f), to be executed in mid or late May 2011.

In the balance sheet, the acquisition will be recognised according to the purchase method (IFRS 3.4 ff). Due to the short time and the pending execution, the identification and measurement of the assets acquired, of the liabilities assumed and of the – partly conditional – consideration paid is not yet finished (IFRS 3.B66). Provisional values are expected to become available by the half-yearly closing as of 30 June 2011 (IFRS 3.45).

By acquiring SolidLine (approximately 160 employees), Bechtle has taken over the leading system house partner of the CAD software manufacturer Solidworks. For Bechtle, this means a substantial expansion of its market position in the area of CAD and a confirmation of its position as a strong, one-stop IT solution provider. Apart from its headquarters in Walluf, SolidLine has 13 branches and training centres throughout Germany as well as a Swiss subsidiary with locations in Zurich, Arbon and Schönbühl. By means of the acquisition, Bechtle hopes to establish synergies with customers in the mechanical and plant engineering, tool and mouldmaking, industrial design and medical technology sectors.

Neckarsulm, 10 May 2011

Bechtle AG

The Executive Board



## RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Neckarsulm, 10 May 2011

Bechtle AG

The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

## AUDITING INFORMATION

The present interim financial report was neither audited, according to article 317 of the HGB, nor revised by the auditor.

## FINANCIAL CALENDAR

### Interim Report 1st Quarter 2011 (1 January to 31 March)

Wednesday, 11 May 2011

Conference call with analysts, investors and media

### Annual General Meeting

Tuesday, 7 June 2011, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

### Dividend Payment for the Fiscal year 2010

as of 8 June 2011

(subject to approval by the Annual General Meeting)

### Interim Report 2nd Quarter 2011 (1 April to 30 June)

Wednesday, 10 August 2011

Conference call with analysts, investors and media

### Shareholder Days 2011

Tuesday, 23 August 2011

Wednesday, 21 September 2011

Thursday, 20 October 2011

### Interim Report 3rd Quarter 2011 (1 July to 30 September)

Wednesday, 10 November 2011

Conference call with analysts, investors and media

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