

Interim Report as of 30 September 2012

3RD QUARTER 2012

Your strong IT partner.
Today and tomorrow.

BECHTLE

BECHTLE GROUP AT A GLANCE

		01.01– 30.09.2012	01.01– 30.09.2011	Change in %
Revenue	€k	1,484,551	1,410,470	5.3
IT system house & managed services	€k	979,120	924,480	5.9
IT e-commerce	€k	505,431	485,990	4.0
EBITDA	€k	67,526	72,655	-7.1
IT system house & managed services	€k	40,946	45,238	-9.5
IT e-commerce	€k	26,580	27,417	-3.1
EBIT	€k	51,456	59,605	-13.7
IT system house & managed services	€k	27,674	34,747	-20.4
IT e-commerce	€k	23,782	24,858	-4.3
EBIT margin	%	3.5	4.2	
IT system house & managed services	%	2.8	3.8	
IT e-commerce	%	4.7	5.1	
EBT	€k	50,648	59,883	-15.4
EBT margin	%	3.4	4.2	
Earnings after taxes	€k	36,381	43,580	-16.5
Earnings per share	€	1.73	2.08	-16.5
Working capital	€k	208,515	185,312¹	12.5
Return on equity²	%	12.0	16.3	
Cash flow from operating activities	€k	11,059	21,899	-49.5
Cash flow per share	€	0.53	1.04	-49.5
Number of employees (as of 30.09)		5,978	5,357	11.6
IT system house & managed services		4,747	4,220	12.5
IT e-commerce		1,231	1,137	8.3
		30.09.2012	31.12.2011	Change in %
Cash and cash equivalents³	€k	101,337	141,488	-28.4
Equity ratio	%	58.0	52.2	

¹ Adjusted figure

² Annualised

³ Incl. time deposits and securities

REVIEW BY QUARTER 2012

		1st quarter 01.01–31.03	2nd quarter 01.04–30.06	3rd quarter 01.07–30.09	4th quarter 01.10–31.12	2012 FY 01.01–30.09
Revenue	€k	487,607	495,318	501,626		1,484,551
EBITDA	€k	22,598	20,941	23,987		67,526
EBIT	€k	17,330	15,435	18,691		51,456
EBT	€k	17,101	15,135	18,412		50,648
EBT margin	%	3.5	3.1	3.7		3.4
Earnings after taxes	€k	12,319	10,828	13,234		36,381

CONSOLIDATED INTERIM MANAGEMENT REPORT

BUSINESS ACTIVITY

As a one-stop IT provider, BECHTLE is active with more than 65 system houses in Germany, Austria and Switzerland, and is one of Europe's leading dealers for information technology, with subsidiaries in 14 countries. This combination forms the basis of BECHTLE's trend-setting business model, which links IT services to the 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 75,000 customers from the fields of industry and trade, the public sector and the financial industry.



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In the IT system house & managed services segment, the service spectrum ranges from the sale of hardware, software and application solutions to project planning and roll-out, system integration, maintenance and training to the complete operation of the customer's IT. In IT e-commerce, the second business segment, we offer our customers hardware and standard software by way of direct sales via the Internet, catalogue and telesales under the BECHTLE DIRECT and ARP brands. Moreover, the COMSOFT DIRECT brand has gained a foothold in this segment as a software management and software licensing specialist.



www.bechtle.com/portfolio-en

BUSINESS ENVIRONMENT

- Slightly recovered macroeconomic performance
- Conflicting mood indicators in Germany

Macroeconomy

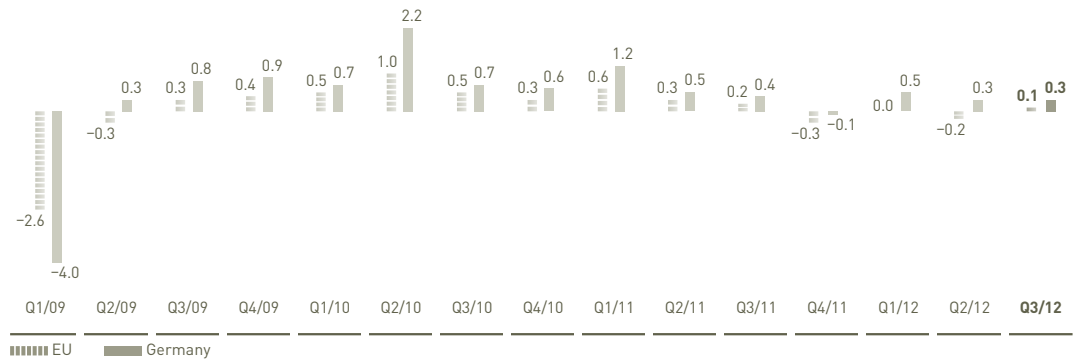
The European Commission estimates that the economy in the EU has recovered slightly. Following a decline of 0.2 per cent in the prior quarter, it predicts a 0.1 per cent growth of the gross domestic product (GDP) for the third quarter. In the EU countries in which BECHTLE is present, the growth rates are highly diversified, as was also the case in the first half of the year. Portugal, the Czech Republic, Italy and Spain are bringing up the rear, with negative growth rates. At 0.5 per cent, the United Kingdom exhibited the highest growth. For Switzerland, the Swiss National Bank expects weaker growth in the third quarter.



ec.europa.eu

GDP PERFORMANCE COMPARED TO PRIOR QUARTER

%



According to the estimates of the European Commission, the growth in Germany was stable. After 0.5 per cent in the first quarter and 0.3 per cent in the second quarter, the GDP growth in the third quarter is once again estimated at 0.3 per cent.


www.ifo.de

In the third quarter, the mood indicators of the German economy declined further. The ifo index dropped from 103.2 in July to 101.4 in September. The evaluation of the current situation receded less severely than the expectations for the next six months.

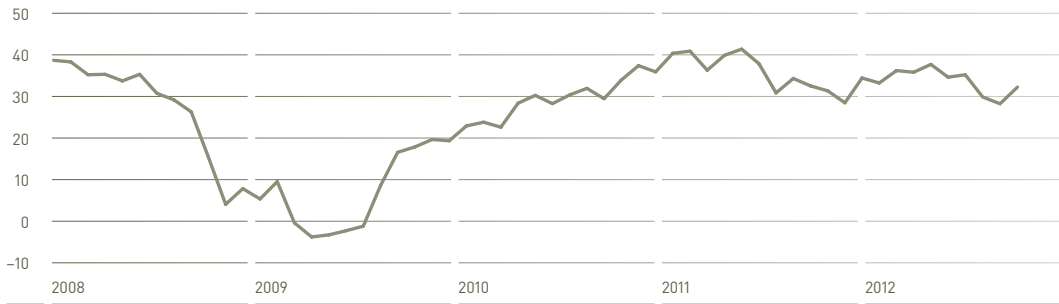
Industry


www.gulp.de

As with the economy in general, the IT market is also characterised by substantial regional differences. In Germany, the third quarter appears to have developed rather positively. For example, the GULP IT project market index, which registers projects for freelance IT specialists in Germany, was more than 4 per cent higher in the third quarter than in the corresponding prior-year period. In many other European countries, the IT market is impacted by the euro crisis. According to the market research institute IDC, PC sales in Western Europe declined 12.8 per cent in the third quarter, especially due to the dwindling demand in the business segment.

The mood in the German IT industry recovered slightly in the third quarter. The ifo index for IT service providers rose from 29.9 to 32.8. The rise affected both the expectations for the next months, which increased from 22 to 24, and the evaluation of the current situation, which went up from 38 to 42.

IFO INDEX FOR IT SERVICE PROVIDERS



In contrast, the quarterly BITKOM industry index dropped from 56 to 44 in the third quarter. However, this did not affect all subsegments. While hardware lost four points and IT services two points, the software segment gained four points.



www.bitkom.org

Overall Assessment

In general, the economic framework conditions in the third quarter of 2012 were rather dull. Apart from the countries that had already been affected by the euro crisis for some time, other economies were finally also hit by these influences. However, there were still some subsegments that performed well, especially in the IT market.

The strained economic conditions in the third quarter have especially affected BECHTLE's business abroad. A considerable reluctance to invest was often noticeable in both segments. In Germany, however, the brightened mood in the IT market is also reflected in our business figures.

EARNINGS POSITION

- Order backlog at record level
- Domestic market with above-average growth
- Lower earnings due to higher personnel expenses

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 take up to six months. However, framework and operating agreements in the managed services segment may have much longer terms.

Due to the current business structure, incoming orders are largely reflected in the revenue during a reporting period. In the first nine months of 2012, incoming orders amounted to approximately €1,494 million, almost 2 per cent more than in the prior year (€1,467 million). The IT system house & managed services segment underwent an increase of about 1 per cent to €992 million (prior year: €984 million). In the IT e-commerce segment, incoming orders went up almost 4 per cent to about €502 million (prior year: €483 million).

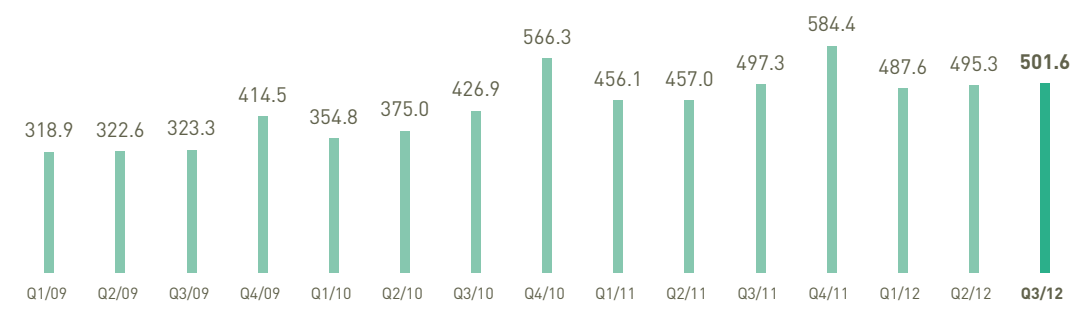
As of 30 September 2012, the order backlog rose to €290 million, an increase of 16 per cent compared to the prior-year reporting date (€250 million). Of this amount, the IT system house & managed services segment accounted for €287 million (prior year: €244 million), and the IT e-commerce segment for €3 million (prior year: €6 million).

Revenue Performance

The growth dynamics slackened in the third quarter of 2012. Revenues climbed only 0.9 per cent from €497.3 million to €501.6 million. This was mainly due to weaker revenues abroad. The acquired system house companies generated revenues amounting to €2.7 million. The group's organic growth in the third quarter thus amounted to 0.3 per cent. For the entire period from January to September, the revenue growth totalled 5.3 per cent, from €1,410 million to €1,485 million. Organically, BECHTLE's growth in the first nine months amounted to 3.6 per cent.

GROUP REVENUE

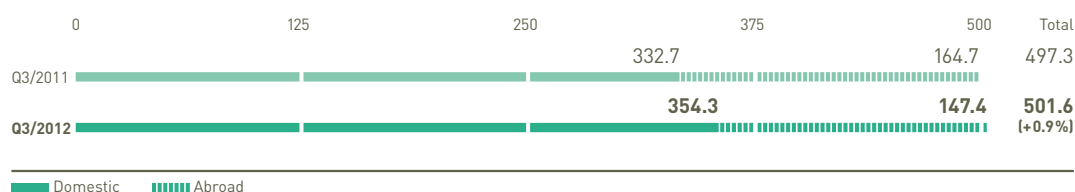
€m



The business performance in the different regions was quite diversified. Due to the German market's ongoing good demand and willingness to invest, we were able to step up our revenue in the reporting quarter from €332.7 million to €354.3 million, an increase of 6.5 per cent. The performance on the foreign markets was negative. There, revenues dropped 10.5 per cent from €164.7 million to €147.4 million. This was mainly due to the weaker system house business in Austria and Switzerland. At the same time, the weak sales in e-commerce in the countries affected more severely by the euro crisis were also felt. Cumulatively, revenues in the first three quarters in Germany increased 10.0 per cent from €917.7 million to €1,009.2 million. Abroad, the revenues ebbed 3.5 per cent to €475.3 million (prior year: €492.8 million).

REGIONAL REVENUE DISTRIBUTION

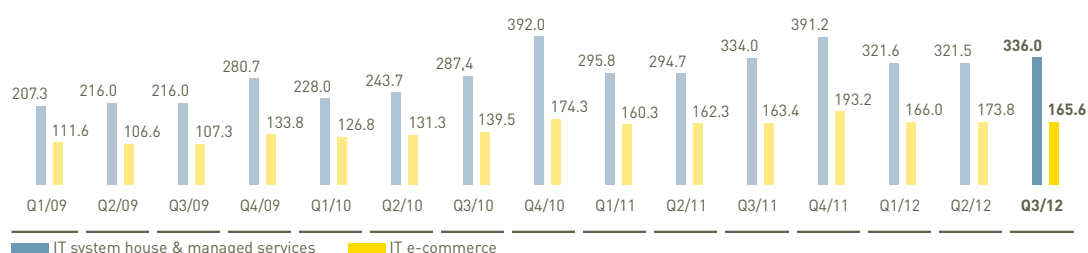
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In the third quarter, the IT system house & managed services segment generated revenues of €336.0 million (prior year: €334.0 million), a growth of 0.6 per cent. The contribution of the domestic system houses to the group revenue increased by 6.7 per cent to €298.4 million (prior year: €279.8 million). The revenue of the foreign system houses dropped 30.7 per cent to €37.5 million (prior year: €54.2 million). Cumulatively, we generated revenues of €979.1 million in this segment, 5.9 per cent more than in the prior year.

REVENUE BY SEGMENTS

€m



In the reporting period, the IT e-commerce segment boosted its revenues 1.4 per cent from €163.4 million to €165.6 million. The domestic e-commerce companies performed well, growing 5.5 per cent from €52.9 million to €55.8 million. Abroad, the revenues fell 0.6 per cent to €109.8 million (prior year: €110.5 million). In the nine-month period, the growth amounted to 4.0 per cent to €505.4 million.

REVENUE – GROUP AND SEGMENTS

	Q3/2012	Q3/2011	Change	9M/2012	9M/2011	Change
Group	501,626	497,332	+0.9%	1,484,551	1,410,470	+5.3%
Domestic	354,255	332,679	+6.5%	1,009,220	917,714	+10.0%
Abroad	147,371	164,653	–10.5%	475,331	492,756	–3.5%
IT system house & managed services	335,981	333,959	+0.6%	979,120	924,480	+5.9%
Domestic	298,439	279,778	+6.7%	852,727	769,725	+10.8%
Abroad	37,542	54,181	–30.7%	126,393	154,755	–18.3%
IT e-commerce	165,645	163,373	+1.4%	505,431	485,990	+4.0%
Domestic	55,816	52,901	+5.5%	156,493	147,989	+5.7%
Abroad	109,829	110,472	–0.6%	348,938	338,001	+3.2%

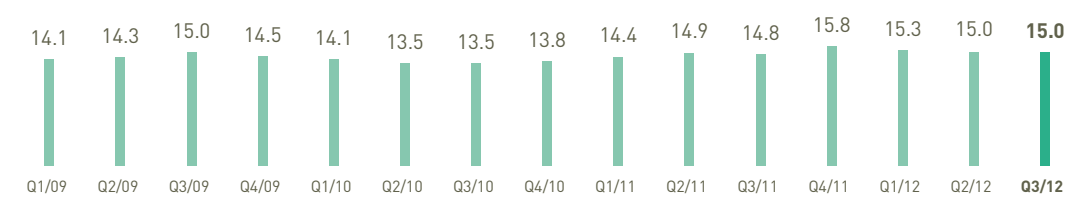
Based on an average number of 5,408 full-time employees, the group's revenue per employee amounted to €93 thousand in the third quarter of 2012, about 8.8 per cent less than in the corresponding prior-year quarter (€102 thousand for 4,888 full-time employees). As already in the two prior quarters, this shows the above-average increase in the number of employees compared to the revenue growth. The development in the two segments was similar. The revenue per employee in the IT system house & managed services segment amounted to €78 thousand, based on an average of 4,288 full-time employees (prior year: €87 thousand for 3,856 full-time employees). The revenue per employee generated in the IT e-commerce segment in the reporting quarter amounted to €148 thousand, based on an average of 1,120 full-time employees (prior year: €158 thousand for 1,032 full-time employees).

Earnings Performance

At €426.4 million, the cost of sales remained more or less at the same level as in the corresponding prior-year period. In the period under review, they accounted for 85.0 per cent of the revenue (prior year: 85.2 per cent). Due to the comparatively slightly better revenue performance, the group's gross margin increased from 14.8 per cent to 15.0 per cent. Gross earnings thus improved 2.4 per cent to €75.3 million (prior year: €73.5 million). Cumulatively, for the first nine months, the gross margin made even more remarkable progress, from 14.7 per cent to 15.1 per cent. In total, gross earnings climbed 7.9 per cent from €207.3 million to €223.7 million.

GROSS MARGIN

%



As in the prior quarters, our distribution costs and administrative expenses in the third quarter increased at a rate significantly higher than that of the revenue, owing to the surge in the headcount. New technology subjects and the growing complexity of customer requirements were the key reasons why we invested in the expansion and qualification of our sales and service specialists. The expenses in this area increased 4.8 per cent from €30.5 million to €32.0 million. Accordingly, the distribution cost ratio increased from 6.1 per cent in the prior year to 6.4 per cent in the period under review. In the reporting quarter, administrative expenses increased 12.7 per cent to €27.5 million (prior year: €24.4 million). The share of these expenses in the revenue increased from 4.9 per cent to 5.5 per cent. Cumulatively, distribution costs went up 12.0 per cent to €99.0 million. The ratio thus amounted to 6.7 per cent, compared to 6.3 per cent in the prior year. Administrative expenses amounted to €81.9 million, a year-on-year increase of 17.1 per cent. The ratio went up from 5.0 per cent to 5.5 per cent.



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Income Statements,
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Year on year, other operating income dropped from €10.7 million to €8.6 million. This was mainly due to the lower income from exchange rate differences, while marketing grants and other payments from suppliers increased from €5.8 million to €6.6 million.

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) dropped 11.5 per cent from €27.1 million to €24.0 million. In the nine-month period, EBITDA declined 7.1 per cent to €67.5 million (prior year: €72.7 million). Cumulatively, the EBITDA margin was 4.5 per cent, compared to 5.2 per cent in the prior year.

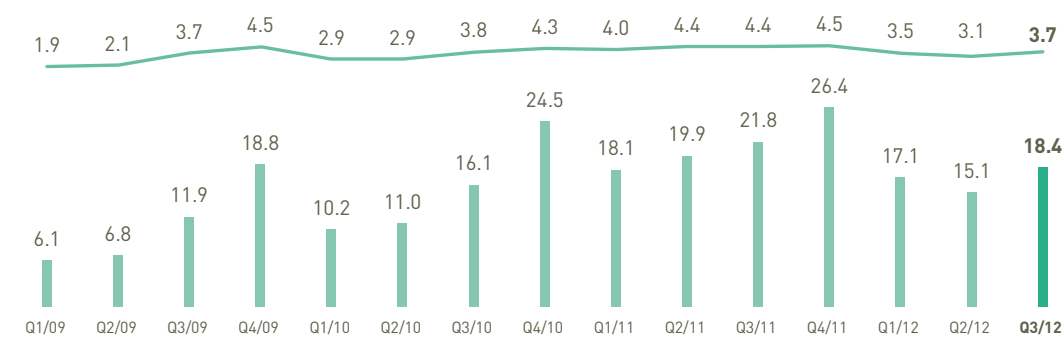
In the third quarter, depreciation and amortisation underwent an increase of 6.0 per cent to €5.3 million (prior year: €5.0 million). Especially depreciation of property, plant and equipment increased €0.7 million to €4.0 million as a result of the acquisitions and the building activities at the headquarters in Neckarsulm, Germany. In total, the depreciation and amortisation in the first three quarters amounted to €16.1 million, €3.0 million more than in the prior year. Of this amount, depreciation of property, plant and equipment accounted for €11.7 million (prior year: €9.0 million).

Accordingly, earnings before interest and taxes (EBIT) declined to €18.7 million in the third quarter, 15.5 per cent below the corresponding prior-year value (€22.1 million). In the nine-month period, EBIT amounted to €51.5 million, 13.7 per cent less than in the prior year (€59.6 million). The margin dropped from 4.2 per cent to 3.5 per cent.

With a quarterly balance of minus €279 thousand, the financial earnings reached about the same level as in the prior year (minus €267 thousand). Thus, the group's earnings before taxes (EBT) for the period from July to September amounted to €18.4 million (prior year: €21.8 million). For the total period, EBT amounted to €50.6 million, 15.4 per cent less than in the prior year. The margin diminished from 4.2 per cent to 3.4 per cent.

EBT AND EBT MARGIN

€m and %

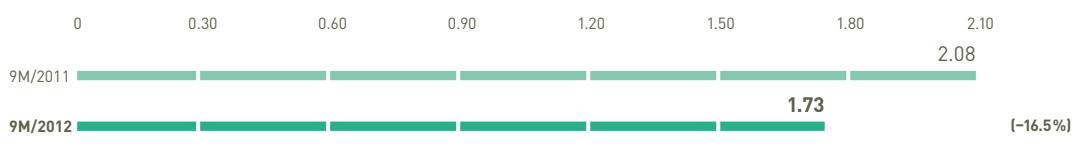


In the reporting quarter, tax expenses amounted to €5.2 million (prior year: €5.9 million). The tax rate climbed from 27.1 per cent in the prior year to 28.1 per cent in the period under review, an effect resulting from the higher contribution to earnings provided by the companies in Germany. Cumulatively, the tax rate in the nine-month period amounted to 28.2 per cent, compared to 27.2 per cent in the prior year.

Year on year, the quarterly earnings after taxes (EAT) declined 16.9 per cent from €15.9 million to €13.2 million. From January to September, the EAT dropped from €43.6 million to €36.4 million, a net margin of 2.5 per cent (prior year: 3.1 per cent). On the basis of 21.0 million shares, the cumulative earnings per share (EPS) amounted to €1.73, compared to €2.08 in the prior year.

EPS

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At segment level, the earnings situation was as follows:

In the third quarter of 2012, EBIT in the IT system house & managed services dropped 24.4 per cent to €10.3 million (prior year: €13.6 million). The EBIT margin was 3.1 per cent, compared to 4.1 per cent in the prior year. This development was mainly caused by the investments in personnel, which could only be partly compensated by the higher contribution margin. Furthermore, acquisition-related amortisation of customer bases and customer service agreements as well as the non-compete agreements exclusively affected the system house segment. Cumulatively, EBIT amounted to €27.7 million, compared to €34.7 million in the prior year. The EBIT margin dropped from 3.8 per cent to 2.8 per cent.

In the quarter under review, the IT e-commerce segment generated EBIT of €8.4 million (prior year: €8.5 million). The margin dropped slightly from 5.2 per cent to 5.1 per cent. This development was caused by the lower gross earnings due to the price pressure and by the higher personnel expenses. In the nine-month period, EBIT amounted to €23.8 million, 4.3 per cent less than in the prior year. The EBIT margin dropped from 5.1 per cent to 4.7 per cent.

EBIT – GROUP AND SEGMENTS

	Q3/2012	Q3/2011	Change	9M/2012	9M/2011	Change
Group	18,691	22,114	-15.5%	51,456	59,605	-13.7%
IT system house & managed services	10,314	13,641	-24.4%	27,674	34,747	-20.4%
IT e-commerce	8,377	8,473	-1.1%	23,782	24,858	-4.3%

€k

ASSETS AND FINANCIAL POSITION

■ Equity base strengthened significantly

■ Cash flow affected by investments

As of 30 September 2012, the balance sheet total of the BECHTLE group amounted to €749.9 million, €53.5 million less than as of 31 December 2011.

Development of the Assets

In the first three quarters of the fiscal year 2012, non-current assets went up from €281.6 million to €308.8 million. Time deposits and securities experienced the greatest change, increasing €16.8 million to €47.5 million. This was due to the regrouping of the cash and cash equivalents for the purpose of optimising the return. Moreover, property, plant and equipment increased from €79.6 million to €90.7 million, mainly owing to the construction activities at the BECHTLE AG headquarters. Accordingly, the capitalisation ratio also went up to 41.2 per cent (31 December 2011: 35.1 per cent).

In contrast, current assets fell €80.7 million to €441.1 million since the beginning of the fiscal year. Though time deposits and securities increased €4.7 million to €20.9 million, and inventories went up to €99.1 million in the nine-month period, €7.9 million more than on 31 December 2011 (€91.2 million), trade receivables dropped €31.4 million to €255.4 million as of the balance sheet date, an effect caused by seasonal factors. In contrast, our average DSO (days sales outstanding) in the first nine months of 2012 increased from 35.8 days

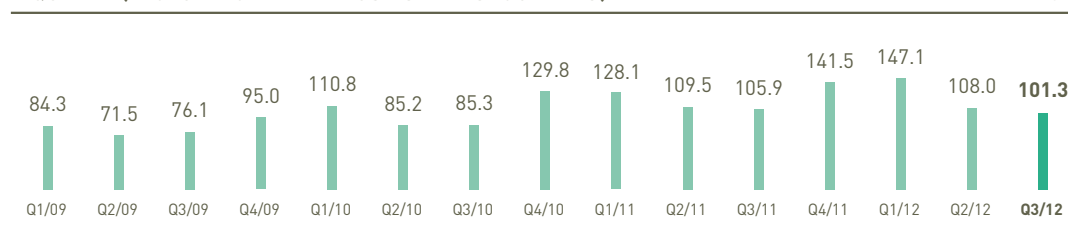


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Balance Sheet and
Changes in Equity,
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to 37.7 days. As a result of the higher financial assets and the dividend payment, cash and cash equivalents dropped two thirds from €94.6 million to €32.9 million. As of the balance sheet date, the total liquidity – the value of the cash and cash equivalents including short- and long-term time deposits and securities – dropped to €101.3 million (31 December 2011: €141.5 million).

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



Development of the Equity and Liabilities

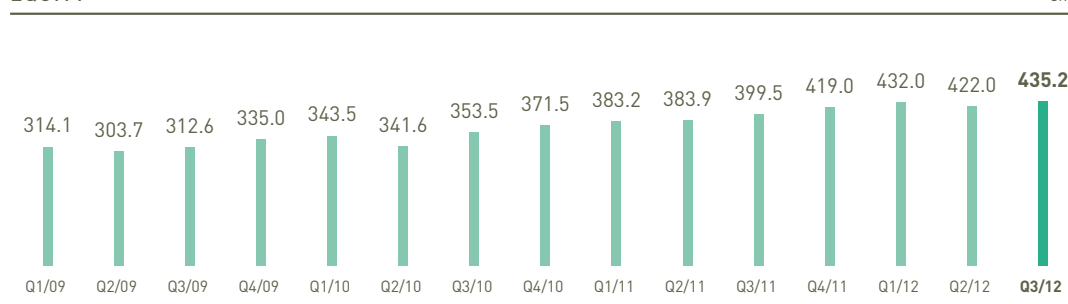
As of 30 September 2012, non-current liabilities amounted to €92.8 million, less than on 31 December 2011 (€98.7 million). Under this item, non-current financial liabilities underwent a noteworthy reduction of €5.2 million from €57.3 million to €52.1 million.

Current liabilities fell €63.9 million to €221.8 million (31 December 2011: €285.7 million). Trade payables underwent the greatest decline of €34.6 million from €148.8 million to €114.2 million. For reasons related to the reporting date, other liabilities dropped €72.2 million to €53.6 million. This was caused by the decrease of €11.2 million in personnel liabilities due to commission and bonus payments and a decrease of €7.8 million in VAT liabilities.

Due to the increase in retained earnings, the equity increased from €419.0 million to €435.2 million as of 30 September 2012. The balance sheet contraction also contributed to the improvement of our equity ratio from 52.2 per cent as of 31 December 2011, to 58.0 per cent. Under consideration of the reported earnings and the equity development, the annualised return receded from 16.3 per cent in the prior year to 12.0 per cent in the period under review.

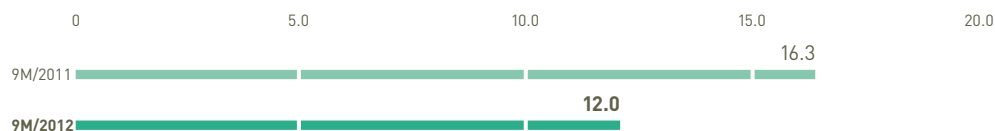
EQUITY

€m



RETURN ON EQUITY

%

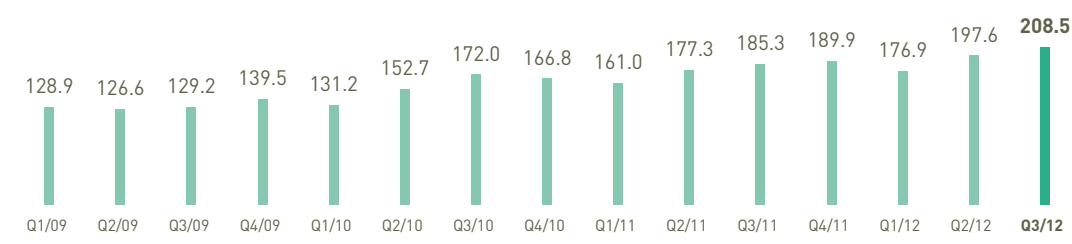


As the increase in equity could not fully compensate the rise in non-current assets, the equity to non-current assets ratio went down in the first nine months of the current fiscal year from 148.8 per cent as of 31 December 2011, to 141.0 per cent. The total liquidity including time deposits and securities exceeds the interest-bearing short- and long-term financial liabilities, meaning that the group is effectively debt-free. As of 30 September 2012, BECHTLE reported a net cash position of €37.5 million, compared to €75.2 million as of 31 December 2011. In the same period, the dependence on external creditors was further reduced. Thus, the debt ratio has improved from 0.92 to 0.72.

Despite the reduction of the trade receivables, the working capital increased by the balance sheet date from €189.9 million to €208.5 million, an effect that is mainly attributable to the lower trade payables and higher inventories. In relation to the balance sheet total, the working capital amounted to 27.8 per cent as of 30 September 2012, compared to 23.6 per cent as of 31 December 2011.

WORKING CAPITAL

€m



BALANCE SHEET KEY FIGURES OF THE BECHTLE GROUP

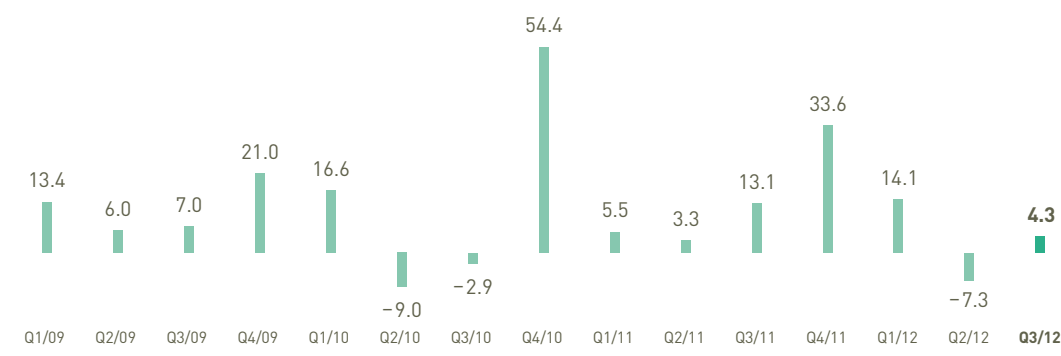
		30.09.2012	31.12.2011
Balance sheet total	€m	749.9	803.4
Cash and cash equivalents including time deposits and securities	€m	101.3	141.5
Equity	€m	435.2	419.0
Equity ratio	%	58.0	52.2
Equity to non-current assets ratio	%	141.0	148.8
Net cash	€m	37.5	75.2
Debt ratio		0.72	0.92
Working capital	€m	208.5	189.9

Development of the Cash Flow

Year on year, the net cash generated from operating activities in the first nine months of 2012 dropped €10.8 million to €11.1 million. One of the reasons for this lies in the earnings before taxes, which were €9.2 million lower. Moreover, the group's changes in net assets triggered a cash outflow that was €4.4 million higher than in the prior year. This was mainly due to the significant decline in other liabilities and the reduced VAT liabilities. Additionally, the outflow for income tax payments increased €6.2 million to €18.5 million. Compared to the prior year, the significant reduction of trade payables resulted in a higher cash outflow of €21.2 million. On the other hand, changes in inventories resulted in an outflow of €7.0 million, €9.9 million less than in the nine-month period of 2011.

CASH FLOW FROM OPERATING ACTIVITIES

€m



Year on year, the net cash used for investments in the first three quarters of 2012 increased from €37.5 million to €46.6 million. While the group had spent €15.5 million on time deposits and securities from January to September 2011, this figure reached €38.4 million in the same period in 2012. On the other hand, the cash inflow from the sale of time deposits and securities amounted to €16.9 million (prior year: €12.8 million). Payments for the purchase of intangible assets and property, plant and equipment – mainly in connection with the construction activities at the headquarters – amounted to €22.8 million, only slightly more than in the prior year (€22.1 million). Payments for acquisitions less cash and cash equivalents taken over totalled €4.5 million, €10.1 million less than in the prior year.



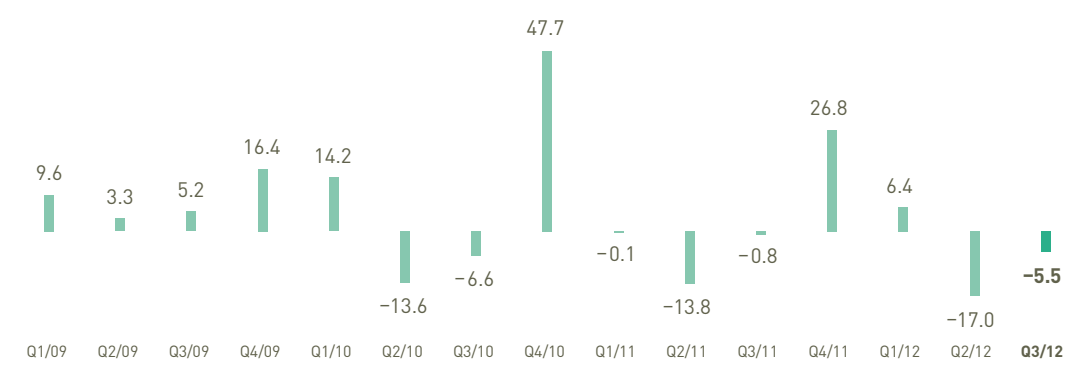
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Acquisitions and
Purchase Price
Allocation,
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In the reporting period, the cash flow from financing activities underwent a much higher outflow of €26.4 million, compared to €11.5 million in the prior year. While payments for the clearance of financial liabilities increased €3.0 million to €7.9 million, and interest payments went up €1.5 million to a total of €2.4 million, our cash inflow from the assumption of financial liabilities amounted to €4.9 million (prior year: €10.0 million).

As expected, the free cash flow in the first nine months amounted to minus €16.1 million (prior year: minus €14.7 million). Apart from the lower net cash from operating activities, this mainly reflects the investments in intangible assets and property, plant and equipment.

FREE CASHFLOW

€m



EMPLOYEES

■ Increase in headcount

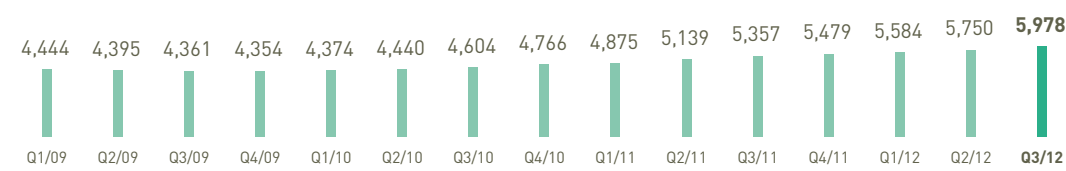
■ Number of trainees at record level

As of the reporting date 30 September 2012, the BECHTLE group had a total of 5,978 employees, including 433 trainees (31 December 2011: 5,479 employees, including 356 trainees). In the first nine months of the current fiscal year, the number of employees in the group thus went up by 499, an increase of 9.1 per cent. The increase resulted from new recruitment as well as acquisitions.



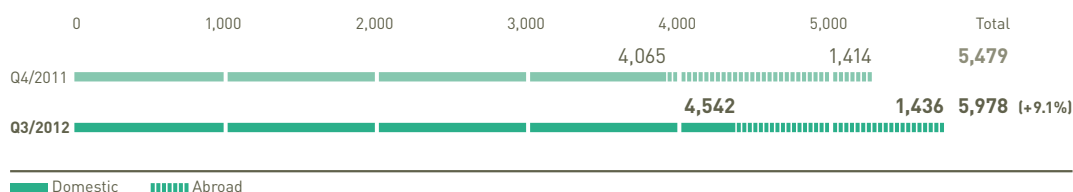
See Notes,
Employees,
page 43

EMPLOYEES IN THE GROUP



With its 12.4 per cent increase in the number of employees, to 4,090 (31 December 2011: 3,640), the domestic system houses accounted for most of the headcount increase. In total, 4,542 persons or more than three quarters of the workforce were employed in Germany.

EMPLOYEES BY REGIONS



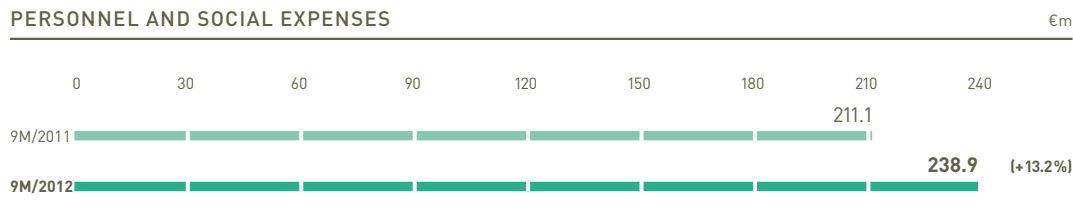
During the first nine months of 2012, the average headcount in the group amounted to 5,721, 680 employees more than in the corresponding prior-year period (5,041).



BECHTLE AG treats the training of junior staff as a matter of central importance. Thus, 136 young people embarked on their career with us in September. Despite the considerable increase in the headcount, the training ratio in Germany climbed from 6.8 per cent to 7.3 per cent. BECHTLE continues to pursue the goal of further increasing the training ratio.

In the period from January to September 2012, personnel and social expenses totalled €238.9 million, 13.2 per cent more than in the prior year (€211.1 million). Due to the above-average rise in the number of employees, the expense ratio increased from 15.0 per cent to 16.1 per cent. Nevertheless, based on an average number of 5,275 (prior year: 4,668) full-time employees, personnel and social expenses per employee remained at €45.3 thousand, a level similar to that of the prior year (€45.2 thousand).

PERSONNEL AND SOCIAL EXPENSES



RESEARCH AND DEVELOPMENT

As a pure service and trading company, BECHTLE is not involved in any research activities. Software and application development activities are conducted primarily for internal purposes and only to a very limited extent. However, the software and application solutions division also offers customers the design, development and implementation of software, e.g. in SharePoint projects. There were no notable development activities in the reporting period.

OPPORTUNITIES AND RISKS

■ Economic risk still prevalent

■ Opportunity through gaining additional market shares

In line with the long-term focus of the strategy and business management of the BECHTLE group, the opportunities and risks for the coming months are basically the same as presented in the Annual Report 2011. In the course of the third quarter of 2012, no additional material opportunities or risks arose compared to the opportunities and risks presented in the last Annual Report. Currently, no risks have been identified that could – individually or in their entirety – endanger the company as a going concern. The changes in the risk situation and in the assessment of opportunities were as follows, though these were partly only of marginal significance.



See
Annual Report 2011,
page 108 ff

The uncertainties concerning the future economic framework conditions have further increased. In the third quarter, the German government slightly increased the growth expectations for 2012, while reducing them for the coming year. In October, the industry association BITKOM reduced its forecast for the IT market in the current year, especially due to weaker hardware revenues. Thus, the risk of an economic slow-down throughout Europe has grown. Nevertheless, even a weaker economy would offer opportunities of higher growth and gain of market shares for the BECHTLE group, e.g. through displacement in the competitive environment or the ongoing consolidation.



www.bitkom.org

The effects of the euro crisis on our business are, to some extent, evident in the foreign markets. Consequently, the risk of late payment and bad debt losses has increased especially in Southern European countries. BECHTLE manages this risk by means of stringent accounts receivable management.

At present, the picture in the public sector division is rather heterogeneous: on the one hand, the tense budget situation in some European countries could impact the willingness of government institutions to invest. On the other hand, the public sector in Germany in particular is benefiting from the much higher tax income. Both factors could affect the business of BECHTLE AG. This is true especially for the fourth quarter. However, as the public sector business is still mainly focused on Germany, we believe that the opportunities are predominant.

In view of the ongoing shortage of specialists in the IT industry, BECHTLE has invested intensively in the recruitment of new employees in this year. The increased headcount and significantly higher personnel expenses are also accompanied by an increasing personnel risk. Especially a prolonged levelling out of the economy or, even worse, revenue declines, could have a considerable impact on the group's earnings position.

SHARE

■ Share markets encumbered by economic forecasts

■ Bechtle share moves sideways

In the third quarter, the large national economies exhibited noticeably slower growth dynamics. The economic trust in the Eurozone has cooled down across the board. This trend has now reached core countries such as Germany and France. The weaker economic data did not remain without effect on the profit expectations of companies. Especially cyclical enterprises increasingly lost their confidence in the course of the year, until the difficult framework conditions were largely factored into the estimations.

During the quarter, the price of the BECHTLE share did not follow any clear trend. The share started at €29.58 at the beginning of July, reached its quarterly low of €29.45 on 12 July and advanced to its reporting period high of €32.09 on 6 August. Thereafter, the share was highly volatile, moving sideways. On 28 September, the share closed the quarter at exactly €30.00. Thus, BECHTLE's growth from July to September amounted to 1.4 per cent. In the same period, the DAX increased 11.1 per cent, and the TecDAX 7.1 per cent.

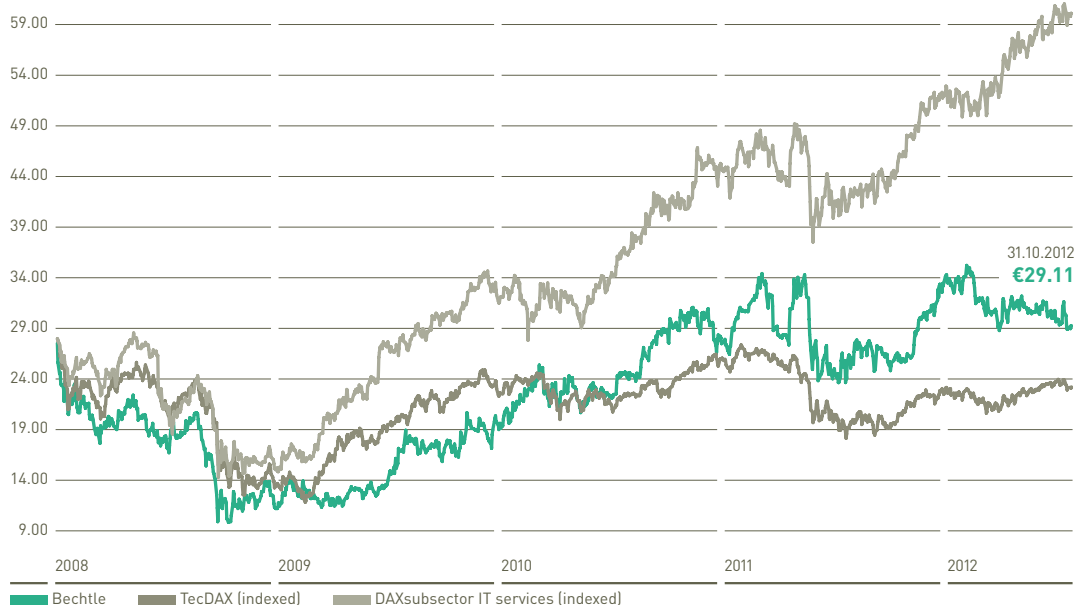
THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2008 TO OCTOBER 2012

€



See

www.bechtle.com/investors
for the current share price



TRADING DATA OF BECHTLE SHARE

		Q3/2012	Q3/2011	Q3/2010	Q3/2009	Q3/2008
Closing price at beginning of quarter	€	29.58	30.84	20.51	13.65	17.22
Closing price at end of quarter	€	30.00	25.05	24.25	17.28	14.61
High (closing price)	€	32.09	34.21	24.60	18.78	20.50
Low (closing price)	€	29.45	23.48	20.51	12.25	14.61
Performance – absolute	€	0.42	–5.79	3.74	3.63	–2.6
Performance – relative	%	1.4	–18.8	18.2	26.6	–15.2
Market cap – total ¹	€m	630.0	526.1	509.3	366.3	309.7
Ø turnover/trading day ²	shares	31,942	72,995	25,959	31,500	41,704
Ø turnover/trading day ²	€	982,684	2,053,248	591,331	502,025	744,360

Xetra price data

¹As of 30 September²All German stock exchanges

On average, 31,942 shares were traded every trading day in the third quarter (prior year: 72,995). The daily turnover averaged €982,684, less than half of the prior-year figure of €2,053,248. According to the September ranking of Deutsche Börse, BECHTLE nevertheless advanced from 25th place in the prior year to 15th place in terms of the stock exchange turnover. As far as the market cap is concerned, the company retained its position of 16th place, as in 2011.

EARNINGS PER SHARE

		Q3/2012	Q3/2011	9M/2012	9M/2011
Earnings after taxes	€k	13,234	15,923	36,381	43,580
Ø number of shares	thousand shares	21,000	21,000	21,000	21,000
Earnings per share	€	0.63	0.76	1.73	2.08

In the third quarter, BECHTLE AG again held its traditional shareholders' days. On three dates, numerous visitors made use of the opportunity to engage in intensive discussions with company representatives at the headquarters in Neckarsulm, Germany. The event series, which was introduced eight years ago, enables the company to maintain close contact with its private shareholders and potential buyers.

FORECAST



Events after the
reporting period,
see Notes, p. 44

- Economic development sluggish
- Bechtle 2012: Revenues up, earnings below previous year
- IT market 2013 with growth surge

Macroeconomy



ec.europa.eu

Experts expect a declining macroeconomic development in the last part of the year. According to the forecast of the European Commission, the EU economy is to shrink 0.1 per cent in the fourth quarter. The growth for the year as a whole is expected at minus 0.3 per cent. Investments in equipment, an indicator that is relevant to BECHTLE, are to underperform broadly in 2012, decreasing 2.3 per cent in the EU. In the fourth quarter, economic slowdown is also expected widely in BECHTLE's markets in the EU. Increasing figures are only anticipated in Austria, Hungary, Poland and the UK. For 2013, the Commission predicts a GDP growth of 0.4 per cent throughout the EU. Investments in equipment are expected to grow 1.6 per cent. According to the latest estimates of the Federal Government's Expert Group for Economic Forecasts, Switzerland will outperform the EU, reaching a GDP growth of 1.0 per cent in 2012. Investments in equipment are to grow by an above-average 1.5 per cent. For 2013, the experts predict an increase of 1.4 per cent for the economy as a whole. However, investments in equipment are expected to fall to minus 0.5 per cent.



www.seco.admin.ch

According to the opinion of the Commission, the economic performance in Germany is going to decline by 0.1 per cent towards the end of the year. Nevertheless, forecasts for Germany for 2012 as a whole range from 0.7 to 1.0 per cent. According to the European Commission, investments in equipment are expected to decrease 3.0 per cent, though. For 2013, great uncertainty is still prevalent. The forecasts of economic researchers fluctuate between 0.4 per cent and 1.6 per cent. At least the European Commission is optimistic as far as investments in equipment are concerned, predicting growth of 1.6 per cent.

Industry



www.eito.eu

For 2012, the market research institute EITO predicts above-average growth for the IT industry. Thus, the IT market in the EU is to grow 1.2 per cent. This development is mainly driven by the hardware segment with 2.2 per cent and the software segment with 2.9 per cent, while services are to increase by a mere 0.3 per cent. In the countries in which BECHTLE is present, hardware revenues will diverge greatly in 2012, from minus 8.8 per cent in Portugal and Spain to plus 9.4 per cent in the Czech Republic and 21.0 per cent in Hungary. The IT market in Switzerland is expected to grow 2.3 per cent. Services are expected to grow 1.6 per cent, hardware 2.2 per cent and software 3.7 per cent. For 2013, EITO expects a growth surge in the EU. The increase is expected to amount to 2.8 per cent. This development is to be driven particularly by the subsegments software with a plus of 4.2 per cent, and hardware with a growth of 3.0 per cent.

In September, the industry association BITKOM slightly downgraded its forecast for the German IT market, but still expects above-average growth. In total, the industry is to grow 2.3 per cent. At 4.4 per cent, software is expected to be the growth driver. The growth rate of services is anticipated at 2.1 per cent. Though hardware revenues are still expected to grow 1.1 per cent, this is little compared to the 3.0 per cent growth that BITKOM had expected in spring. In 2013, the IT market growth is to speed up again, reaching 3.0 per cent. The subsegment distribution is to be similar as in 2012: At 5.1 per cent, software is to be the growth driver. Services are to grow 3.0 per cent, and hardware revenues 1.2 per cent.



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Performance of the Bechtle Group

The performance of the BECHTLE group in the fiscal year 2012 is greatly diversified. In Germany, we recorded satisfying growth in both segments. In the e-commerce business abroad, however, we struggled with problems in a number of countries, fuelled by the euro crisis. Our system house business in Switzerland was also impaired by the uncertainty on the financial market. All in all, the revenue growth lagged behind our original expectations, so that at least in the first three quarters, BECHTLE was unable to compensate the surge in personnel expenses resulting from the above-average headcount increase.

The business performance of BECHTLE AG in the coming months will depend greatly on the macroeconomic development. This development, in turn, is prone to various uncertainties, as the extent and impact of the euro and debt crisis cannot yet be determined. Traditionally, the fourth quarter is BECHTLE's strongest quarter. Despite the uncertainty, we believe that 2012 will again witness the cyclicity that is common in this business, and that as a result, our revenue and earnings in the final quarter of the year will surpass the three prior quarters. For the year as a whole, we still plan to increase our revenue compared to the prior year. In 2012, we will again grow faster than the market, thereby further expanding our market share. Moreover, we plan to do the same in the fiscal year 2013. However, in view of the developments of the first nine months, and even if the fourth quarter were to be very successful, we will not be able to reach our previous forecast for 2012 – to reach the record figure of the prior year – as far as the earnings before taxes are concerned. Nevertheless, we are confident that compared to the prior quarters, the fourth quarter will help us to get closer to the prior-year figure.

In view of the current market development and the rearrangement of the competitive landscape, we have intensified our search for suitable acquisition options. To complement our regional positioning and our competence profile, acquisitions will continue to play a key role in our growth strategy.

Irrespective of the acquisitions, we also plan to further increase the headcount. By the end of the year, we will presumably have reached the 6,000 employees mark. In view of the shortage of specialists, there is an urgent need for the recruitment and training of qualified staff, even though this will increase the cost basis in the short to medium term. Especially in strategically important areas of focus such as cloud computing and networking, it is crucial for the future development of the company to possess the necessary capacity in qualified staff. Therefore, due to the significant increase in the number of employees, encumbrances on the income side appear to be inevitable in the fourth quarter as well, though these will prove justified if the growth dynamics increase in 2013.

BECHTLE intends to further intensify its business in the public sector division. Requests for tenders from European institutions offer considerable potential. In recent months, our company in Brussels, Belgium, which was established in November 2011, has performed valuable development work. From Brussels, the business with European institutions is coordinated and intensified through direct local contact. We are confident that we will be able to increase our revenue share with EU institutions in the medium run.

In the IT e-commerce segment, BECHTLE is also investing in the consistent continuation of its international growth strategy and the development of its brand awareness. In this context, we will benefit from our high equity and liquidity. Having opened a company in Hungary in April 2012, we do not plan to enter any other new country markets for the time being. The next medium-term goals are the expansion of the presence of our COMSOFT DIRECT brand to the UK and of ARP to Belgium.

The construction measures at the headquarters in Neckarsulm, Germany, will be completed by the end of the year. In 2012, our investment ratio will be considerably above average due to the building activities. After moving into the new building in early 2013, some of the vacated spaces will be converted, resulting in more above-average investments in 2013. According to the current state of our planning, a normalised investment ratio is not expected before 2014.

The cyclicity in BECHTLE's business, with its upturn towards the end of the year, is apparent not only in the revenues and earnings, but also in the generation of net cash. A major part of the cash flow is generated in the last three months of the year. Therefore, we expect the cash flow level to increase again towards the end of 2012.

From the current perspective, our sustainable earning power and stable liquidity base provide us with the funds needed for realising our planned growth. We are not planning any material changes to our company structure and organisation or to our business targets and strategies.

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. Similarly, totals may differ from the individual values.

Neckarsulm, 12 November 2012

BECHTLE AG

The Executive Board

CONSOLIDATED INCOME STATEMENT

	€k			
	01.07– 30.09.2012	01.07– 30.09.2011	01.01– 30.09.2012	01.01– 30.09.2011
Revenue	501,626	497,332	1,484,551	1,410,470
Cost of sales	426,375	423,880	1,260,803	1,203,191
Gross profit	75,251	73,452	223,748	207,279
Distribution costs	31,968	30,513	98,975	88,352
Administrative expenses	27,525	24,423	81,932	69,978
Other operating income	2,933	3,598	8,615	10,656
Operating earnings	18,691	22,114	51,456	59,605
Financial income	556	465	1,670	1,311
Financial expenses	835	732	2,478	1,033
Earnings before taxes	18,412	21,847	50,648	59,883
Income taxes	5,178	5,924	14,267	16,303
Earnings after taxes (attributable to shareholders of Bechtle AG)	13,234	15,923	36,381	43,580
Net earnings per share (basic and diluted) in €	0.63	0.76	1.73	2.08
Weighted average shares outstanding (basic and diluted) in thousands	21,000	21,000	21,000	21,000



See
further comments
in the Notes,
in particular IV,
page 31 f

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07– 30.09.2012	01.07– 30.09.2011	01.01– 30.09.2012	01.01– 30.09.2011
Earnings after taxes	13,234	15,923	36,381	43,580
Other comprehensive income				
Actuarial gains and loss in pension provisions	92	110	–86	–412
Income tax effects	–16	–19	16	74
Unrealised gains and loss on securities	85	184	433	146
Income tax effects	–11	0	–52	5
Unrealised gains and loss on financial derivatives	–20	–202	–56	–85
Income tax effects	6	58	16	25
Currency translation differences of net investments in foreign operations	–26	–42	46	–90
Income tax effects	3	–1	–11	8
Hedging of net investments in foreign business operations	339	530	–154	–1,146
Income tax effects	–99	–154	45	334
Currency translation differences	–383	–713	601	1,362
Total other comprehensive income	–30	–249	798	221
of which income tax effects	–117	–116	14	446
Total comprehensive income (attributable to shareholders of Bechtle AG)	13,204	15,674	37,179	43,801



See
further comments
in the Notes,
in particular IV,
page 31 f

CONSOLIDATED BALANCE SHEET

ASSETS

€k

	30.09.2012	31.12.2011	30.09.2011
Non-current assets			
Goodwill	137,402	135,648	133,633
Other intangible assets	20,839	22,348	23,277
Property, plant and equipment	90,685	79,645	76,402
Trade receivables	1,661	975	774
Income tax receivables	114	133	133
Deferred taxes	8,242	9,833	9,547
Other assets	2,326	2,356	2,343
Time deposits and securities	47,493	30,700	30,592
Total non-current assets	308,762	281,638	276,701
Current assets			
Inventories	99,051	91,190	93,484
Trade receivables	255,391	286,773	239,146
Income tax receivables	1,087	1,072	1,979
Other assets	31,744	31,955	25,079
Time deposits and securities	20,908	16,219	16,100
Cash and cash equivalents	32,936	94,569	59,178
Total current assets	441,117	521,778	434,966
Total assets	749,879	803,416	711,667



See
further comments
in the Notes,
in particular V,
page 33 f

EQUITY AND LIABILITIES

€k

	30.09.2012	31.12.2011	30.09.2011
Equity			
Issued capital	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228
Retained earnings	268,995	252,816	233,306
Total equity	435,223	419,044	399,534
Non-current liabilities			
Pension provisions	14,895	14,786	13,631
Other provisions	1,213	1,182	1,115
Financial liabilities	52,129	57,280	48,914
Deferred taxes	15,806	15,847	15,677
Other liabilities	395	1,216	1,350
Accruals and deferrals	8,407	8,359	7,446
Total non-current liabilities	92,845	98,670	88,133
Current liabilities			
Other provisions	5,838	5,643	5,493
Financial liabilities	11,700	9,002	7,094
Trade payables	114,227	148,799	116,168
Income tax payables	2,696	8,735	8,407
Other liabilities	53,642	72,237	54,806
Accruals and deferrals	33,708	41,286	32,032
Total current liabilities	221,811	285,702	224,000
Total equity and liabilities	749,879	803,416	711,667

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings			Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss	Total	
Equity as of 1 January 2011	21,000	145,228	207,157	-1,902	205,255	371,483
Distribution of profits for 2010			-15,750		-15,750	-15,750
Earnings after taxes			43,580		43,580	43,580
Other comprehensive income				221	221	221
Total comprehensive income	0	0	43,580	221	43,801	43,801
Equity as of 30 September 2011	21,000	145,228	234,987	-1,681	233,306	399,534
Equity as of 1 January 2012	21,000	145,228	254,130	-1,314	252,816	419,044
Distribution of profits for 2011			-21,000		-21,000	-21,000
Earnings after taxes			36,381		36,381	36,381
Other comprehensive income				798	798	798
Total comprehensive income	0	0	36,381	798	37,179	37,179
Equity as of 30 September 2012	21,000	145,228	269,511	-516	268,995	435,223



See further
comments
in the Notes,
in particular V,
page 33 f

CONSOLIDATED CASH FLOW STATEMENT

	01.07– 30.09.2012	01.07– 30.09.2011	01.01– 30.09.2012	01.01– 30.09.2011
Operating activities				
Earnings before taxes	18,412	21,847	50,648	59,883
Adjustment for non-cash expenses and income				
Financial earnings	279	267	808	-278
Depreciation and amortisation of intangible assets and property, plant and equipment	5,296	4,994	16,070	13,050
Gain/loss on disposal of intangible assets and property, plant and equipment	-5	1	38	-15
Other non-cash expenses and income	-218	-1,279	-1,374	1,853
Changes in net assets				
Changes in inventories	2,117	-239	-6,952	-16,886
Changes in trade receivables	7,982	-17,380	34,904	12,188
Changes in trade payables	-17,498	11,997	-36,498	-15,347
Changes in accruals and deferrals	-5,684	-2,661	-9,147	-5,742
Changes in other net assets	-1,714	-694	-18,894	-14,486
Income taxes paid	-4,685	-3,735	-18,544	-12,321
Cash flow from operating activities	4,282	13,118	11,059	21,899
Investing activity				
Cash paid for acquisitions less cash acquired	-1,650	-5,362	-4,541	-14,615
Cash paid for investments in intangible assets and property, plant and equipment	-8,201	-8,569	-22,790	-22,114
Cash received from the sale of intangible assets and property, plant and equipment	81	22	196	167
Cash paid for the acquisition of time deposits and securities	6,658	0	-38,420	-15,461
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	151	3,040	16,899	12,748
Interest payments received	416	390	2,062	1,787
Cash flow from investing activities	-2,545	-10,479	-46,594	-37,488
Financing activities				
Cash paid for the payment of financial liabilities	-3,827	-3,293	-7,886	-4,881
Cash received from the acceptance of financial liabilities	2,905	0	4,851	10,000
Dividends paid	0	0	-21,000	-15,750
Interest paid	-783	-535	-2,362	-899
Cash flow from financing activities	-1,705	-3,828	-26,397	-11,530
Exchange-rate-related changes in cash and cash equivalents	-59	300	299	820
Changes in cash and cash equivalents	-27	-889	-61,633	-26,299
Cash and cash equivalents at beginning of the period	32,963	60,067	94,569	85,477
Cash and cash equivalents at the end of the period	32,936	59,178	32,936	59,178



See
further comments
in the Notes,
in particular VI,
page 35

NOTES

I. GENERAL DISCLOSURES

BECHTLE AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and as such 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 30 September 2012 has also 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 30 September 2012 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 results of the fiscal year as a whole to a limited extent.

II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION

BECHTLE had already adopted the new and amended standards and interpretations whose adoption is mandatory for the fiscal year 2012 ahead of time for the consolidated financial statements for the fiscal year 2011.



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

In this interim financial report, the same key principles of accounting and consolidation were applied as in the consolidated financial statements for the fiscal year 2011. For further information, please refer to the consolidated financial statements as of 31 December 2011, which form the basis for these interim financial statements.

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
Redmond Integrators GmbH	Bochum, Germany	01.01.2012	Acquisition
KUMATronik GmbH *	Markdorf, Germany	02.04.2012	Acquisition
Bechtle Immobilien GmbH	Neckarsulm, Germany	16.04.2012	Foundation

* Meanwhile renamed Bechtle GmbH, headquartered in Ulm, Germany

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

Expense Structure

€k						
	Cost of sales		Distribution costs		Administrative expenses	
	01.01–30.09.2012	01.01–30.09.2011	01.01–30.09.2012	01.01–30.09.2011	01.01–30.09.2012	01.01–30.09.2011
Material costs	1,117,387	1,073,041	0	0	0	0
Personnel expenses	108,585	97,575	75,591	66,693	54,742	46,845
Depreciation/amortisation	7,806	6,261	3,973	3,269	4,291	3,520
Other operating expenses	27,025	26,314	19,411	18,390	22,899	19,613
Total costs	1,260,803	1,203,191	98,975	88,352	81,932	69,978

The general increase in expenses compared to the prior-year period was caused by the higher business volume in the reporting period and, related to this, by the significantly higher number of employees.

Other Operating Income

Other operating income mainly consisted of marketing grants and other payments of suppliers amounting to €6,587 thousand (prior year: €5,772 thousand) and income from currency translation differences amounting to €1,138 thousand (prior year: €3,928 thousand). Offsetting the currency translation differences recognised under cost of sales, distribution costs and administrative expenses, the gain from currency translation differences in the reporting period totalled €20 thousand (prior year: €1,497 thousand).

Financial Income and Financial Expenses

The financial income mainly comprises income from time deposits and securities as well as cash and cash equivalents. The year-on-year increase is mainly the result of the higher balance of time deposits and securities. Unlimited solvency and particularly low-risk or hedged investment instruments continue to have priority.

The financial expenses mainly include interest paid for the financial liabilities. The increase in financial expenses was caused by the loans newly raised or taken over in the course of the fiscal year 2011.

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– 30.09.2012	01.01– 30.09.2011
Earnings after taxes (€k)	36,381	43,580
Average number of outstanding shares	21,000,000	21,000,000
Earnings per share (€)	1.73	2.08

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 Comprehensive Income



See Consolidated
Statement of
Changes in Equity,
page 28

The other comprehensive income was mainly affected by the development of the euro/Swiss franc exchange rate. In the reporting period, the Swiss franc continued to gain in value against the euro, though to a much lesser extent than in the corresponding prior-year period. 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 and its accumulated balance 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, mainly resulted from seasonal fluctuations during the year, with a high-revenue final quarter.



See General Disclosures,
page 30

Compared to the consolidated financial statements as of 31 December 2011, the assets of the BECHTLE group as of 30 September 2012 also contain the assets of the companies newly acquired in the period under review.



See
Acquisitions and
Purchase Price
Allocation,
page 37 ff

Within the scope of the closure of intelligent it Solutions GmbH & Co. KG (iits) at the Oldenburg site, the customer base that had been capitalised at the acquisition of iits as of 30 June 2012 was impaired by €309 thousand (IAS 36). The former iits subsidiary in Bremen continues to exist in the form of BECHTLE GmbH, the former iits subsidiaries in Cloppenburg and Hannover have been integrated to existing BECHTLE locations. The customer base was measured with the help of its value in use. The applied discount rate of 15 per cent after taxes reflects the asset-specific risks. The remaining customer base in the amount of €309 thousand as of the measurement date 30 June 2012 has a remaining useful life of three years.

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

Equity

Retained earnings



Dividends paid

At the Annual General Meeting of 19 June 2012, a resolution was adopted to pay a normal dividend of €0.85 plus a one-time special dividend of €0.15 per share with dividend entitlement (dividend total: €21,000 thousand) for the fiscal year 2011. The dividend was paid out on 20 June 2012.

In terms of its accumulated balance as of the balance sheet date and its change during the period under review, the other comprehensive income that are to be recognised directly in equity outside profit or loss were composed as follows:

	€k			
	30.09.2012	31.12.2011	01.01– 30.09.2012	01.01– 30.09.2011
Actuarial gains and losses from pension provisions	-14,474	-14,388	-86	-412
Income tax effects	2,586	2,570	16	74
Unrealised gains and losses from securities	758	325	433	146
Income tax effects	-76	-24	-52	5
Unrealised gains and losses from financial derivatives	-428	-372	-56	-85
Income tax effects	125	109	16	25
Currency translation differences from net investments in foreign operations	-26	-72	46	-90
Income tax effects	3	14	-11	8
Hedging of net investments in foreign business operations	-9,415	-9,261	-154	-1,146
Income tax effects	2,742	2,697	45	334
Currency translation differences	17,689	17,088	601	1,362
Other comprehensive income	-516	-1,314	798	221

Liabilities



See
General Disclosures,
page 30

The changes in the period under review, especially those concerning the liabilities and accruals and deferrals, were mainly caused by the usual seasonal fluctuations during the year, with a high-revenue final quarter.

The financial liabilities declined by the scheduled repayments of the existing loans.



See
Acquisitions and
Purchase Price
Allocation,
page 37 ff

Compared to the consolidated financial statements as of 31 December 2011, the liabilities of the BECHTLE group as of 30 September 2012 now also contain the liabilities of the companies newly acquired in the period under review.

VI. EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The year-on-year decline of the cash flow from operating activities was caused by the lower earnings before taxes and higher income tax payments, which were only partly compensated by lower cash outflows from the changes in net assets.

Compared to the prior year, the cash flow from investing activities was marked by greater shifting of free cash and cash equivalents to time deposits and securities and lower payments for company acquisitions.

The cash flow from financing activities was mainly influenced by the dividend paid out. Moreover, the change in comparison to the prior-year period was caused by the lower borrowings and higher repayments in the reporting period.

In the cash flow statement, the takeover of the partial operation "redit St. Gallen branch" as of 1 March 2011 was processed as an acquisition and business combination (IFRS 3), which corresponds to the procedure in the consolidated financial statements for 2011. Therefore, the associated outflows are presented in the cash flow from investing activities. In the interim financial report for the third quarter of 2011, however, these were presented in the cash flow from operating activities. Thus, the cash flow from operating activities was €316 thousand lower and the cash flow from investing activities was €316 thousand higher than presented in the interim financial report for this 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 €63,560 thousand as of 30 September 2012 (31 December 2011: €62,685 thousand).

	€k	
	30.09.2012	31.12.2011
Due within one year	22,577	21,281
Due between one and five years	33,322	33,714
Due after five years	7,661	7,690
Total minimum lease payments	63,560	62,685

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 2011.

	01.01–30.09.2012			01.01–30.09.2011		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
By segments						
Total segment revenues	981,175	506,742		926,634	486,657	
less intersegment revenues	–2,055	–1,311		–2,154	–667	
External revenues	979,120	505,431	1,484,551	924,480	485,990	1,410,470
Depreciation/amortisation	13,272	2,798	16,070	10,491	2,559	13,050
Operating earnings	27,674	23,782	51,456	34,747	24,858	59,605
Financial earnings			–808			278
Earnings before taxes			50,648			59,883
Income taxes			14,267			16,303
Earnings after taxes			36,381			43,580
Investments	16,259	6,861	23,120	37,388	16,859	54,247
Investments through acquisitions	4,196	0	4,196	28,462	0	28,462

	30.09.2012			31.12.2011		
	IT system house & managed services	IT e-Commerce	Total group	IT system house & managed services	IT e-Commerce	Total group
By segments						
Total segment assets	521,258	228,935		545,430	258,672	
less intersegment receivables	–199	–115		–217	–469	
Assets	521,059	228,820	749,879	545,213	258,203	803,416
Total segment liabilities	229,930	85,040		258,906	126,152	
less intersegment liabilities	–115	–199		–469	–217	
Liabilities	229,815	84,841	314,656	258,437	125,935	384,372

€k

	01.01–30.09.2012			01.01–30.09.2011		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
External revenues	1,009,220	475,331	1,484,551	917,714	492,756	1,410,470
Investments	19,939	3,181	23,120	51,081	3,166	54,247
Investments through acquisitions	4,196	0	4,196	24,606	3,856	28,462

€k

	30.09.2012			31.12.2011		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
Assets	502,277	247,602	749,879	503,260	300,156	803,416
Liabilities	233,478	81,178	314,656	267,193	117,179	384,372



Segment information
on employees
see Employees,
page 43

IX. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

Redmond Integrators GmbH

As of the acquisition date 1 January 2012, the company purchased all shares in Redmond Integrators GmbH, Bochum, Germany.



www.redmondintegrators.com

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and must still be considered as provisional (IFRS 3.45).

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, a customer base (€102 thousand) and a non-compete agreement (€220 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€102 thousand) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of three years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired total net assets (€312 thousand), the capital consolidation resulted in a difference of €471 thousand that is presented as goodwill.



By acquiring Redmond Integrators (15 employees), BECHTLE has further expanded the software and application solutions division in the IT system house & managed services segment. Redmond Integrators is an established specialist in the field of solutions related to the fast-growing SharePoint technology. BECHTLE has thus consistently taken the next step in positioning itself as a solution provider, thereby drawing significantly closer to the goal of becoming the leader in the German market for SharePoint-based solutions.

As of the date of initial consolidation, the acquisition is accounted for as follows at provisional values:

	€k
Non-current assets	
Goodwill	471
Other intangible assets	331
Property, plant and equipment	59
Other assets	8
Total non-current assets	869
Current assets	
Inventories	59
Trade receivables	332
Cash and cash equivalents	233
Total current assets	624
Total assets	1,493
Non-current liabilities	
Deferred taxes	102
Total non-current liabilities	102
Current liabilities	
Trade payables	141
Income tax payables	17
Other provisions and liabilities	450
Total current liabilities	608
Total liabilities	710
Total assets	
– Total liabilities	
= Acquisition costs	783

The company purchase agreement for the acquisition of Redmond Integrators contains a (contingent) purchase price payment of up to €300 thousand, which depends on the acquired company's future business performance. Based on the validated business plan of Redmond Integrators, the fair value of this contingent purchase price payment on the acquisition date was €283 thousand.

Other cost of purchase (€500 thousand) resulted in an outflow of cash and cash equivalents.

The receivables taken over were not subject to any major impairment.

In the reporting period, Redmond Integrators accounted for €1,211 thousand of the revenues and €23 thousand of the earnings after taxes of the BECHTLE group (IFRS 3.B64qi).

KUMATronik GmbH

As of the acquisition date 2 April 2012, the company acquired all interests in KUMATronik GmbH, Markdorf, Germany.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff) and must still be considered as provisional (IFRS 3.45).

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, a customer base (€570 thousand) and a non-compete agreement (€110 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€195 thousand) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of five years, and of the non-compete agreement, which is amortised over a period of one-and-a-half years.

Under consideration of the acquired total net assets (€1,072 thousand), the capital consolidation resulted in a difference of €618 thousand, which is presented as goodwill.

By acquiring KUMATronik (almost 100 employees), BECHTLE is further expanding its strong market presence in southern Germany. Apart from its headquarters in Markdorf on Lake Constance, the established company KUMATronik has three more locations in Augsburg, Stuttgart and Ulm. BECHTLE is thus expanding its competitive position in the IT system house & managed services segment in attractive economic regions.

As of the date of initial consolidation, the acquisition is accounted for as follows at provisional values:

	€k
Non-current assets	
Goodwill	618
Other intangible assets	733
Property, plant and equipment	196
Deferred taxes	360
Total non-current assets	1,907
Current assets	
Inventories	656
Trade receivables	2,915
Other assets	135
Cash and cash equivalents	66
Total current assets	3,772
Total assets	5,679
Non-current liabilities	
Deferred taxes	195
Total non-current liabilities	195
Current liabilities	
Other provisions	1,187
Financial liabilities	560
Trade payables	1,114
Other liabilities	141
Accruals and deferrals	792
Total current liabilities	3,794
Total liabilities	3,989
Total assets	
– Total liabilities	
= Acquisition costs	1,690

The acquisition costs caused an outflow of cash and cash equivalents in the same amount.

The receivables taken over were not subject to any major impairment.

The subsidiaries of KUMATRONIK in Augsburg and Ulm, Germany, will both be continued as an independent company (renamed BECHTLE GmbH). The headquarters in Markdorf, Germany, and the former subsidiary in Stuttgart have been integrated into existing companies of the BECHTLE group. Therefore, the revenues and earnings contributions of the acquired company cannot be determined separately.

Partial Business Operation “Sales Division SolidWorks” of SPI GmbH

As of the acquisition date 1 August 2012, the sales division for the CAD software SolidWorks, with locations in Ahrensburg near Hamburg, Münster and Greifswald, Germany, was purchased from SPI Systemberatung Programmierung Industrie-Elektronik GmbH, Ahrensburg, Germany.

Within the scope of this partial business operation takeover, which must be recognised according to the purchase method (IFRS 3.4 ff), customer service agreements (€535 thousand), a customer base (€425 thousand) and a non-compete agreement (€346 thousand) 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 and liabilities already recognised by the seller, whose carrying amounts corresponded to their fair values. In the balance sheet, the acquisition must still be considered as provisional (IFRS 3.45).

Deferred tax assets (€93 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are amortised over a period of ten years, of the customer base, which is amortised over a period of five years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired assets (€1,890 thousand) and liabilities (€702 thousand), the resulting difference amounted to €462 thousand, which is presented as goodwill.

The acquired partial business operation mainly focuses on the sale of the CAD software SolidWorks and the associated consulting services. In this context, BECHTLE took over 19 employees at the locations Ahrensburg near Hamburg, Münster, and Greifswald as well as the existing customer agreements. Following the acquisition of Solidpro and SolidLine in 2010 and 2011, this acquisition will further strengthen BECHTLE's foothold in the CAD segment.

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

	€k
Non-current assets	
Goodwill	462
Other intangible assets	1,306
Property, plant and equipment	20
Deferred taxes	185
Other assets	3
Total non-current assets	1,976
Current assets	
Other assets	376
Total current assets	376
Total assets	2,352
Non-current liabilities	
Accruals and deferrals	5
Total non-current liabilities	5
Current liabilities	
Accruals and deferrals	697
Total current liabilities	697
Total liabilities	702
Total assets – Total liabilities = Acquisition costs	1,650

The acquisition costs caused an outflow of cash and cash equivalents in the same amount.

The receivables taken over were not subject to any major impairment.

The acquired partial business operation was integrated in the existing SolidLine. Therefore, the revenues and earnings contributions cannot be determined separately.

When it purchased **SolidLine AG**, Walluf, Germany, in fiscal year 2011, BECHTLE had undertaken to pay contingent retroactive purchase price increases of up to €1,692 thousand. The first part of this contingent purchase price increase was calculated and paid out in February 2012. This payment of €1,000 thousand corresponds to the fair value recognised for this at the initial consolidation plus interest for the period from the date of acquisition to the date of payment.

X. EMPLOYEES

The employee numbers were as follows:

	30.09.2012	31.12.2011	01.01– 30.09.2012	01.01– 30.09.2011
Full-time/part-time employees	5,446	5,026	5,275	4,668
Trainees	433	356	343	287
Employees on parental leave	99	97	103	86
Temporary staff	141	141	143	142
Total	6,119	5,620	5,864	5,183

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

	30.09.2012	31.12.2011	01.01– 30.09.2012	01.01– 30.09.2011
IT system house & managed services	4,747	4,305	4,503	3,955
Domestic	4,090	3,640	3,871	3,305
Abroad	657	665	632	650
IT e-commerce	1,231	1,174	1,218	1,086
Domestic	452	425	445	380
Abroad	779	749	773	706

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

	30.09.2012	31.12.2011	01.01– 30.09.2012	01.01– 30.09.2011
Services	2,713	2,506	2,581	2,332
Sales	1,784	1,684	1,753	1,567
Administration	1,382	1,192	1,284	1,056

XI. ORGANS

On 20 June 2012, Gerhard Schick, who had also served as Chairman of the Supervisory Board until his departure, was superseded by Professor Dr. Thomas Hess, Director of the Institute for Information Systems and New Media of the Ludwig Maximilian University in München, as a member of the Supervisory Board of BECHTLE AG representing the shareholders.

The new Chairman of the Supervisory Board is Klaus Winkler, Managing director of Heller GmbH, Nürtingen, Germany.

XII. RELATED PARTY RELATIONSHIPS

Former chairman of the Executive and Supervisory Boards, Gerhard Schick, co-founder of BECHTLE and father of Karin Schick, the largest shareholder, will continue to make his great experience and expertise available to the BECHTLE group within the scope of a consulting agreement without compensation.

XIII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

No special events occurred at BECHTLE after the end of the reporting period.

Neckarsulm, 12 November 2012

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 fiscal year.

Neckarsulm, 12 November 2012

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 3rd Quarter 2012 (30 September)

Tuesday, 13 November 2012

Conference call with analysts, investors and media

Annual Report 2012

Thursday, 14 March 2013

Accounts Press Conference

Thursday, 14 March 2013, Neckarsulm

DVFA Analysts' Conference

Thursday, 14 March 2013, Neckarsulm

Interim Report 1st Quarter 2013 (31 March)

Tuesday, 14 May 2013

Conference call with analysts, investors and media

Annual General Meeting

Tuesday, 18 June 2013, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

Dividend Payment

as of 19 June 2013 (subject to approval by the Annual General Meeting)

Interim Report 2nd Quarter 2013 (30 June)

Wednesday, 14 August 2013

Conference call with analysts, investors and media

Interim Report 3rd Quarter 2013 (30 September)

Thursday, 14 November 2013

Conference call with analysts, investors and media

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