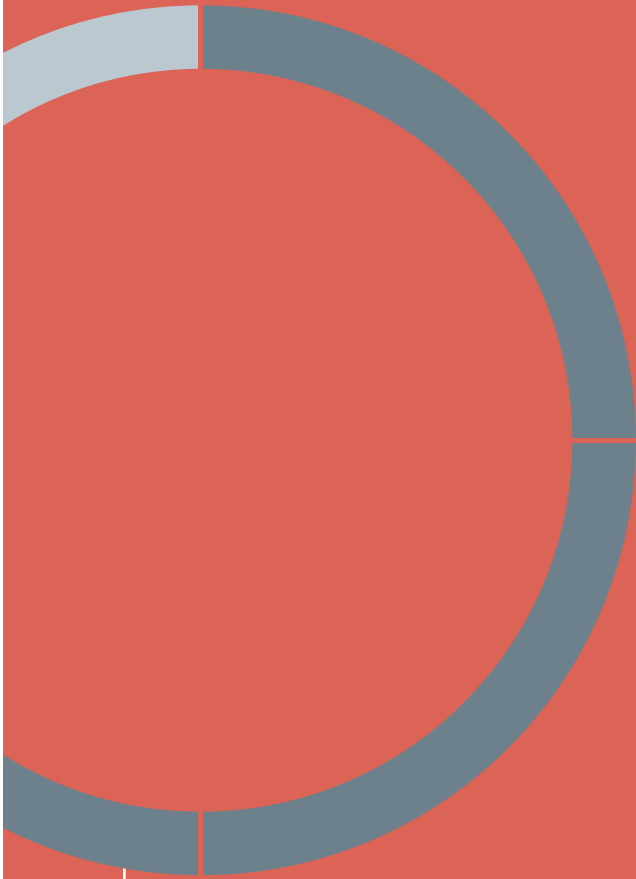


Interim Report as of 30 September 2014



3rd Quarter 2014

Your strong IT partner.
Today and tomorrow.



KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01 – 30.09.2014	01.01 – 30.09.2013	Change in %
Revenue	€k	1,808,653	1,591,272	13.7
IT system house & managed services	€k	1,195,825	1,069,747	11.8
IT e-commerce	€k	612,828	521,525	17.5
EBITDA	€k	91,575	71,472	28.1
IT system house & managed services	€k	60,231	45,585	32.1
IT e-commerce	€k	31,344	25,887	21.1
EBIT	€k	74,543	54,639	36.4
IT system house & managed services	€k	46,190	32,081	44.0
IT e-commerce	€k	28,353	22,558	25.7
EBIT margin	%	4.1	3.4	
IT system house & managed services	%	3.9	3.0	
IT e-commerce	%	4.6	4.3	
EBT	€k	73,787	53,427	38.1
EBT margin	%	4.1	3.4	
Earnings after taxes	€k	52,370	38,085	37.5
Earnings per share	€	2.49	1.81	37.5
Return on equity¹	%	14.5	11.5	
Cash flow from operating activities	€k	11,638	17,831	-34.7
Cash flow per share	€	0.55	0.85	-34.7
Number of employees (as of 30.09)		6,534	6,150	6.2
IT system house & managed services		5,157	4,895	5.4
IT e-commerce		1,377	1,255	9.7
		30.09.2014	31.12.2013	Change in %
Cash and cash equivalents²	€k	118,706	156,105	-24.0
Working capital	€k	279,893	234,624	19.3
Equity ratio	%	59.4	55.1	7.8

¹ Annualised

² Incl. time deposits and securities

REVIEW BY QUARTER 2014

		1st Quarter 01.01 – 31.03	2nd Quarter 01.04 – 30.06	3rd Quarter 01.07 – 30.09	4th Quarter 01.10 – 31.12	2014 FY 01.01 – 30.09
Revenue	€k	586,696	603,676	618,281		1,808,653
EBITDA	€k	26,637	29,149	35,789		91,575
EBIT	€k	21,161	23,342	30,040		74,543
EBT	€k	20,832	23,103	29,852		73,787
EBT margin	%	3.6	3.8	4.8		4.1
Earnings after taxes	€k	14,802	16,422	21,146		52,370

CONSOLIDATED INTERIM MANAGEMENT REPORT

BUSINESS ACTIVITY

As a one-stop IT provider, BECHTLE is active with about 65 system houses in Germany, Austria and Switzerland, and is one of Europe's leading online IT dealers, with subsidiaries in 14 countries. This combination forms the basis of BECHTLE'S unique business model, which combines IT services with the traditional IT trading business. 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.



See Annual Report 2013,
page 45 ff

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 provision of cloud services and the complete operation of the customer IT. We have bundled our trading business in IT e-commerce, the second business segment. Here, we offer our customers hardware and standard software via the Internet and telesales under the BECHTLE DIRECT and ARP brands. Moreover, the COMSOFT DIRECT brand is active in this segment as our software management and software licensing specialist.



[www.bechtle.com/
portfolio-en](http://www.bechtle.com/portfolio-en)

BUSINESS ENVIRONMENT

- Economic situation marked by uncertainty
- Mood in the IT industry deteriorating

Macroeconomy

Currently, statements concerning the macroeconomic development are subject to a high level of uncertainty. Authoritative figures for the third quarter are not yet available, and the forecasts – some of which were made in spring – appear to be too positive. For example, in its spring forecast in May, the European Commission had expected the gross domestic product (GDP) in the euro area in the second quarter to grow by 0.4 per cent. As it turned out, however, the GDP merely stagnated at 0.0 per cent. Accordingly, the growth of 0.3 per cent in the euro area and of 0.4 per cent in the EU as a whole, which had been predicted by the European Commission for the third quarter, must also be considered critically. A recent estimate by the European Central Bank assumes a slight growth in the euro area in the second half of 2014.



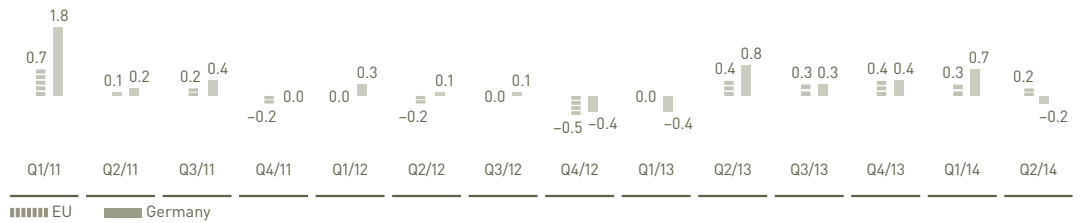
www.ec.europa.eu



www.ecb.europa.eu

GDP PERFORMANCE IN THE EU COMPARED TO THE PRIOR QUARTER

%


www.bundesbank.de/en

In the second quarter of 2014, the GDP in Germany suffered an unexpected decline of 0.2 per cent. Therefore, the previous GDP forecasts for the third quarter are no longer valid either. Currently, Deutsche Bundesbank assumes that in the third quarter, the GDP in Germany either stagnated or underwent a marginal increase.


www.ifo.de

The mood in the German economy was gloomy in the third quarter. Starting from 109.6 points in June, the ifo index declined continually, reaching 104.7 in September. In October, the index lost further ground, dropping to 103.2 points. The development was similar in the two sub-areas "current situation" and "expectations".

Industry


www.gulp.de

In the third quarter of 2014, the situation of the IT industry was heterogeneous. In the reporting period, the GULP IT project market index, which registers projects for freelance IT specialists in Germany, merely underwent a slight year-on-year increase of about 2.5 per cent. However, as had already been the case in the two prior quarters, the PC market in Western Europe exhibited good growth figures. According to figures provided by the IDC market research institute, PC sales in Western Europe went up 22.7 per cent. The demand of enterprise customers was not quite as high, but nevertheless increased 12.5 per cent. The report indicates that the end of support of Windows XP no longer played a significant role in the third quarter. As reported by IDC, the growth was based on the consumer demand and the investments of larger enterprise customers. In Eastern Europe, the sales figures dropped by 9.0 per cent due to the tense situation in the Ukraine.

On average, product prices increased in the third quarter. However, there were significant differences between individual categories. While especially tablet and server prices went up, thin client prices were under pressure.

The mood in the German IT market was still positive in the third quarter. Starting from 33.9 points in June, the ifo index for IT service providers climbed to 44.0 in July and August, and receded to 35.9 in September. In October, however, after the end of the reporting period, the index slumped to 25.0 points. While the

assessment of the current business situation remained largely stable at about 40 points from June to September, and reached a level of 41 in October, the expectations were subject to greater fluctuation and fell from 29 to 10 points in October.

IFO INDEX FOR IT SERVICE PROVIDERS



Overall Assessment

The economic development in the third quarter of 2014 was rather restrained. However, the economy in the EU and especially in Germany seems to be stabilising at a low level, following a weak second quarter. Yet, the perceived situation in Germany was rather negative, owing to the numerous crisis spots and the continuous decline of the mood indicators. The downward correction of the GDP growth forecasts for the year as a whole by leading business research institutes, and by the German government, also contributed to this trend. The situation on the IT market was still positive in the third quarter. Still, the noticeable decline of the ifo index in October implies that uncertainty is on the rise on the IT market as well, at least on a short-term basis.

BECHTLE AG remained unaffected by this market environment and underwent double-digit growth in the third quarter, significantly outperforming the market as a whole. Throughout both segments and all regions, the willingness to invest remained high among our predominantly medium-sized customers.

As BECHTLE AG does not publish any forecasts during the year, it is currently not possible to compare the actual figures with target figures. As far as the year as a whole is concerned, we are sticking to our forecast that the revenue will grow significantly compared to the prior year. With respect to our previous forecast that our EBT will exceed the prior year significantly, the excellent results that we have achieved so far underline our confidence that our earnings will be substantially higher than in the prior year.

EARNINGS POSITION

- Revenue and earnings continue to grow at double-digit rate in Q3
- Growth driver: IT e-commerce segment

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, while some project transactions in the IT system house & managed services segment may have time spans of up to one year. However, framework and operating agreements in the fields of managed services and cloud computing usually have much longer terms.

Due to the current business structure, the incoming orders largely match the revenue during a reporting period. In the first nine months of 2014, incoming orders amounted to €1,822 million, over 12 per cent more than in the prior year (€1,623 million). The IT system house & managed services segment underwent an increase of about 10 per cent to €1,215 million (prior year: €1,101 million). At €607 million, the incoming orders in the IT e-commerce segment were about 16 per cent higher than in the prior year (€522 million).

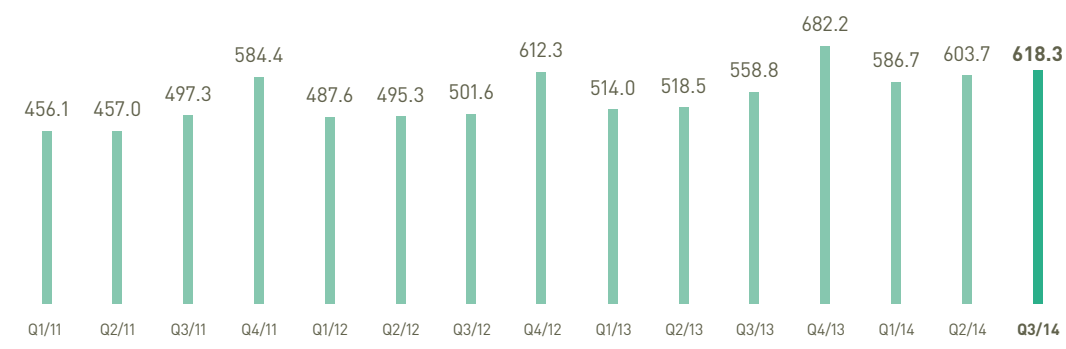
As of 30 September 2014, the order backlog rose to €357 million, an increase of almost 8 per cent compared to the prior-year reporting date (€331 million). Of this amount, the IT system house & managed services segment accounted for €350 million (prior year: €324 million), and the IT e-commerce segment for €7 million (prior year: €7 million).

Revenue Performance

In the third quarter, BECHTLE carried on with the impressive growth performance of the prior quarters. However, due to the very high reference values from the corresponding prior-year quarter, it was not surprising that the dynamics declined slightly. BECHTLE's revenue in the third quarter climbed 10.6 per cent from €558.8 million to €618.3 million. As had already been the case in the first half of 2014, the IT e-commerce segment accounted for the greater part of the growth, with an increase of 13.8 per cent. With growth of 9.2 per cent, the IT system house & managed services segment also developed very dynamically. Cumulatively for the first nine months of the year, revenue increased 13.7 per cent to €1,808.7 million (prior year: €1,591.3 million).

GROUP REVENUE

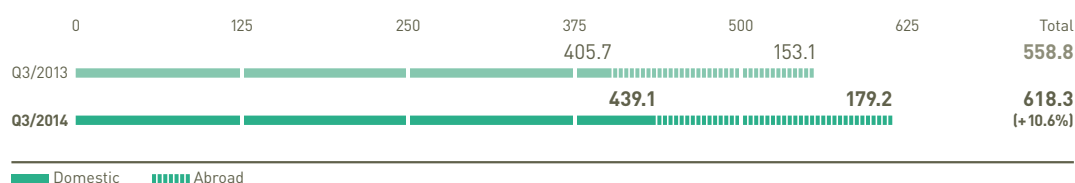
€m



Supported by both segments, demand for products and services was especially high abroad. There, revenue increased 17.0 per cent to €179.2 million (prior year: €153.1 million). Germany recorded growth of 8.2 per cent from €405.7 million to €439.1 million. Here, too, both segments contributed about equally to the revenue increase.

REGIONAL REVENUE DISTRIBUTION

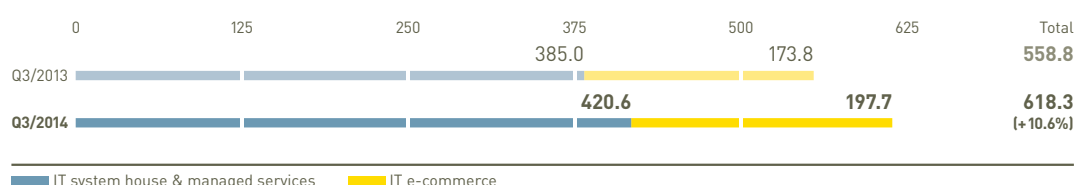
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The IT system house & managed services segment increased its revenue 9.2 per cent to €420.6 million (prior year: €385.0 million). The performance of our foreign system houses, which were able to boost their revenue share by 19.9 per cent from €36.9 million to €44.2 million, was especially positive. In Germany, the revenue amounted to €376.3 million, an increase of 8.1 per cent (prior year: €348.2 million).

REVENUE BY SEGMENTS

€m



In the reporting period, the revenue in the IT e-commerce segment improved 13.8 per cent from €173.8 million to €197.7 million. The increase of the foreign e-commerce companies was especially high. They boosted their revenue by 16.1 per cent to €135.0 million (prior year: 116.2 million). The increase was distributed over almost all international markets of the BECHTLE Group. Domestic revenue climbed 9.1 per cent from €57.5 million to €62.8 million.

REVENUE – GROUP AND SEGMENTS

€k

	Q3/2014	Q3/2013	Change	9M/2014	9M/2013	Change
Group	618,281	558,805	+10.6%	1,808,653	1,591,272	+13.7%
Domestic	439,085	405,704	+8.2%	1,237,849	1,104,191	+12.1%
Abroad	179,196	153,101	+17.0%	570,804	487,081	+17.2%
IT system house & managed services	420,559	385,049	+9.2%	1,195,825	1,069,747	+11.8%
Domestic	376,331	348,176	+8.1%	1,062,872	947,212	+12.2%
Abroad	44,228	36,873	+19.9%	132,953	122,535	+8.5%
IT e-commerce	197,722	173,756	+13.8%	612,828	521,525	+17.5%
Domestic	62,754	57,528	+9.1%	174,977	156,979	+11.5%
Abroad	134,968	116,228	+16.1%	437,851	364,546	+20.1%

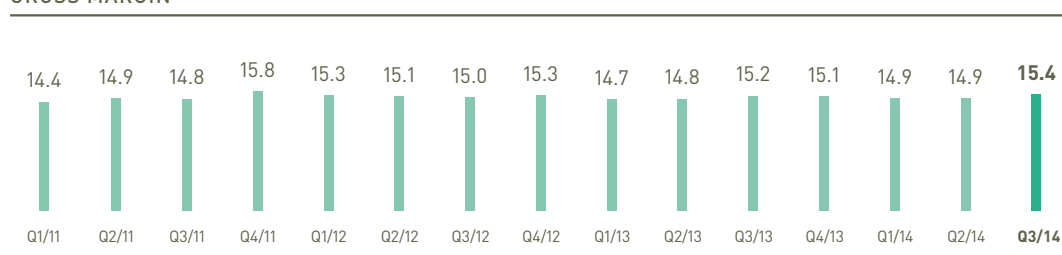
Based on an average of 5,913 full-time and part-time employees, the revenue per employee in the group amounted to €105 thousand in the third quarter of 2014, compared to €101 thousand for 5,558 full-time and part-time employees in the corresponding prior-year quarter. This positive development was supported by both segments. The revenue per employee in the IT system house & managed services segment increased to €90 thousand, based on an average of 4,686 full-time and part-time employees (prior year: €87 thousand for 4,424 full-time and part-time employees). Productivity also improved in the IT e-commerce segment. The revenue per employee generated in this segment in the reporting quarter averaged €161 thousand, based on an average of 1,227 full-time and part-time employees (prior year: €153 thousand, based on an average of 1,134 employees).

Earnings Performance

In the reporting quarter, the cost of sales went up 10.4 per cent, a rate slightly lower than that of revenue. The material costs increased above average, due especially to the strong growth in the e-commerce segment, as in the prior quarters, the personnel expenses developed at a disproportionately low rate, resulting in an improvement of the gross margin from 15.2 per cent to 15.4 per cent. The gross profit amounted to €95.3 million, 12.0 per cent more than in the prior year (€85.1 million). In the nine-month period, the gross margin increased from 14.9 per cent to 15.1 per cent. Gross earnings improved 14.7 per cent from €237.3 million to €272.3 million.

GROSS MARGIN

%



In the third quarter, our functional expenses developed in different directions. Distribution costs only increased at a below-average rate of 8.4 per cent, from €36.6 million to €39.7 million, resulting in a drop of the distribution cost ratio from 6.6 per cent to 6.4 per cent. Administrative expenses grew at an above-average 13.6 per cent from €26.2 million to €29.7 million. This was due to the higher expenses for bonus payments in view of the excellent business performance. The administrative expense ratio thus increased slightly from 4.7 per cent to 4.8 per cent. Both ratios dropped over the nine-month period: The distribution cost ratio declined from 7.0 per cent to 6.7 per cent, and the administrative expense ratio from 5.0 per cent to 4.9 per cent.

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 16.5 per cent from €30.7 million to €35.8 million. Thus, our EBITDA margin reached a value of 5.8 per cent, compared to 5.5 per cent in the prior year. In the nine-month period, the margin amounted to 5.1 per cent, compared to 4.5 per cent in the prior year.

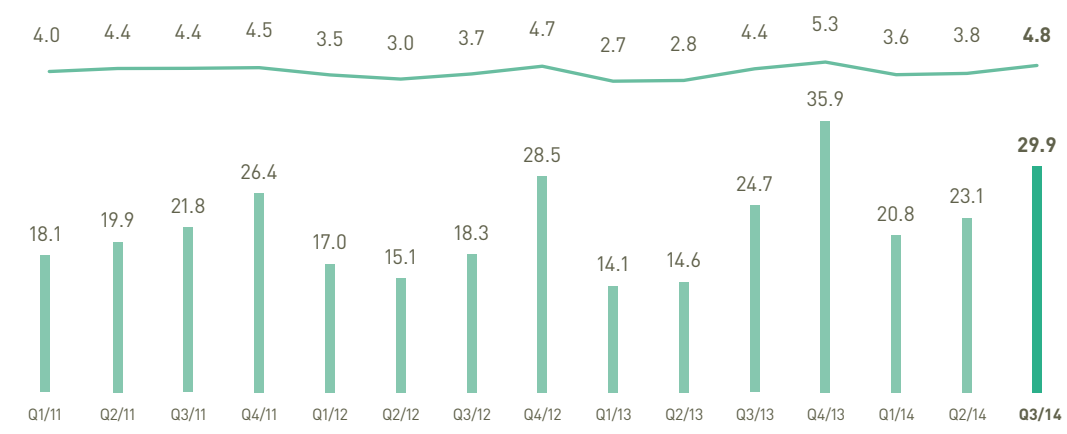
Depreciation and amortisation amounted to €5.7 million, slightly more than in the prior year (€5.5 million). As previously, depreciation of property, plant and equipment – which increased from €4.4 million to €4.7 million in line with the growth of the BECHTLE Group – accounted for the largest share.

Earnings before interest and taxes (EBIT) improved 19.3 per cent to €30.0 million (prior year: €25.2 million). The margin went up from 4.5 per cent to 4.9 per cent. From January to September, the margin was 4.1 per cent (prior year: 3.4 per cent).

Year on year, financial earnings improved slightly. Thus, the group generated earnings before taxes (EBT) amounting to €29.9 million in the period from July to September, 20.6 per cent more than in the prior year (€24.7 million). The EBT margin went up from 4.4 per cent to 4.8 per cent. In the nine-month period, the margin increased from 3.4 per cent to 4.1 per cent.

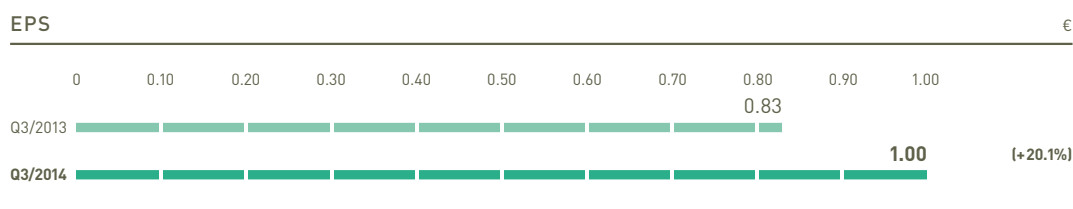
EBT AND EBT MARGIN

€m and %



In the reporting quarter, tax expense increased at a disproportionately high rate from €7.1 million to €8.7 million, due especially to the higher domestic earnings share. The tax rate progressed from 28.8 per cent in the prior year to 29.2 per cent in the period under review. The tax rate in the nine-month period amounted to 29.0 per cent, compared to 28.7 per cent in the prior year.

Earnings after taxes went up 20.1 per cent from €17.6 million to €21.1 million. Accordingly, the net margin climbed from 3.2 per cent to 3.4 per cent. On the basis of 21.0 million shares, the earnings per share (EPS) amounted to exactly €1.00 (prior year: €0.83). In the nine-month period, EPS amounted to €2.49, 37.5 per cent more than in the prior year (€1.81).



At segment level, the earnings situation was as follows:

In the third quarter of 2014, EBIT in the IT system house & managed services segment increased 14.8 per cent to €19.6 million (prior year: €17.0 million). The EBIT margin was 4.6 per cent, compared to 4.4 per cent in the prior year. This was due to the disproportionately low increase in personnel expenses.

In the third quarter, the IT e-commerce segment generated EBIT of €10.5 million, an increase of 28.7 per cent compared to the prior year (€8.2 million). The margin climbed from 4.7 per cent to 5.3 per cent. This, too, is attributable to the disproportionately low increase in personnel expenses.

EBIT – GROUP AND SEGMENTS						€k
	Q3/2014	Q3/2013	Change	9M/2014	9M/2013	Change
Group	30,040	25,173	+19.3%	74,543	54,639	+36.4%
IT system house & managed services	19,550	17,023	+14.8%	46,190	32,081	+44.0%
IT e-commerce	10,490	8,150	+28.7%	28,353	22,558	+25.7%

ASSETS AND FINANCIAL POSITION

- Excellent equity ratio: 59.4 per cent
- Increase of free cash flow to €7.9 million in Q3

As of 30 September 2014, the balance sheet total of the BECHTLE Group amounted to €898.4 million, €11.9 million less than as of 31 December 2013 (€910.3 million), an effect caused by seasonal reasons.

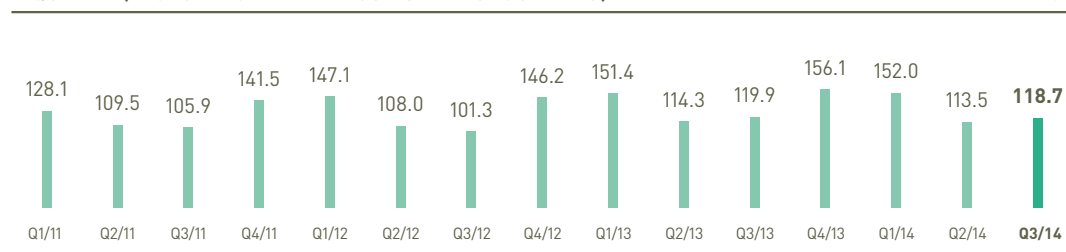
Development of the Assets

Non-current assets went up from €299.2 million to €311.8 million. The goodwill underwent the greatest change, increasing €4.8 million to €144.7 million mainly as a result of acquisitions. Property, plant and equipment went up €3.0 million to €102.8 million. Apart from the acquisitions, replacement and expansion investments also played a role. Our capitalisation ratio has gone up and now amounts to 34.7 per cent (31 December 2013: 32.9 per cent).

In contrast, current assets have fallen €24.5 million to €586.6 million since the beginning of the fiscal year. This item was affected by the decline in cash and cash equivalents as well as trade receivables, on the one hand, and the increase in inventories, on the other hand. The reduction of trade receivables for seasonal reasons amounted to €32.2 million from €345.2 million to €313.0 million. Year on year, our average DSO (days sales outstanding) in the first nine months of 2014 increased from 38.0 days to 38.7 days. Because of the revenue increase and the stock levels kept for larger projects, the inventories climbed from €107.6 million to €144.4 million. Especially due to the dividend payment, cash and cash equivalents dropped €36.5 million to €69.4 million. As of the balance sheet date, the total liquidity – the value of the cash and cash equivalents including short-term and long-term time deposits and securities – was nevertheless at a satisfactory level of €118.7 million (31 December 2013: €156.1 million). In addition to the total liquidity, BECHTLE has a liquidity reserve of €37.3 million in the form of unused cash and guarantee credit lines.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

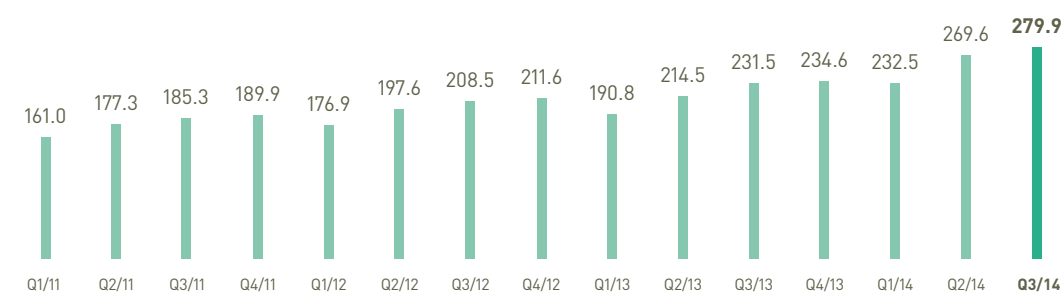
€m



In the first nine months of 2014, the working capital increased from €234.6 million to €279.9 million, especially due to the higher inventories and lower trade payables. In relation to the balance sheet total, the working capital amounted to 31.2 per cent as of 30 September 2014, compared to 25.8 per cent as of 31 December 2013.

WORKING CAPITAL

€m



Development of the Equity and Liabilities

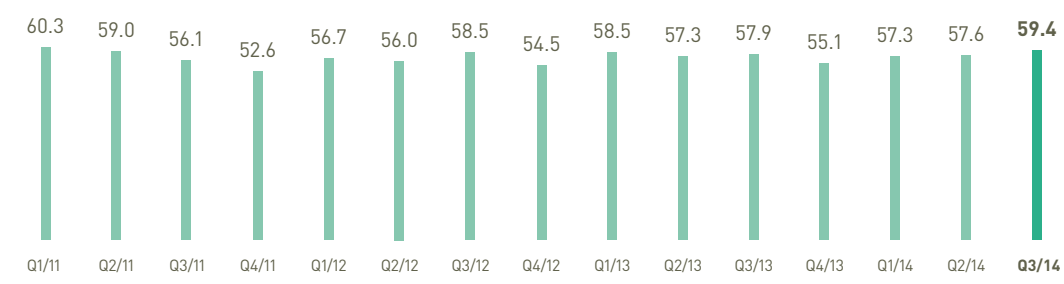
As of 30 September 2014, non-current liabilities amounted to €87.1 million, €3.7 million less than on 31 December 2013 (€90.8 million). This item was affected particularly by the decline in financial liabilities by €5.6 million to €48.1 million. Other liabilities increased €1.7 million to €2.3 million. These liabilities mainly comprised earn-out agreements concluded in connection with acquisitions. Other provisions increased €1.6 million to €3.9 million.

Current liabilities fell €40.5 million to €277.5 million (31 December 2013: €318.0 million). For seasonal reasons, trade payables dropped €32.2 million from €170.5 million to €138.3 million. For reasons related to the reporting date, other liabilities went down by €11.4 million €68.5 million, mainly due to the drop in VAT liabilities by €11.1 million.

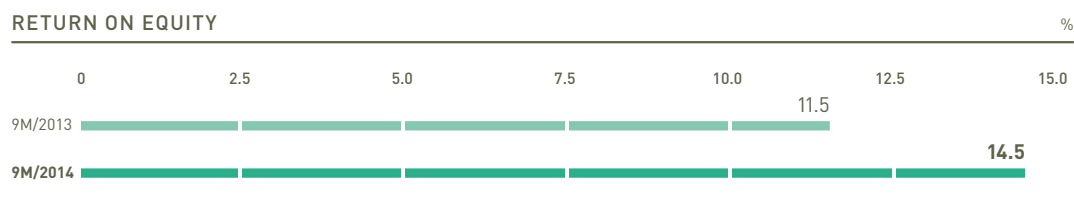
Thanks to the greatly improved earnings position, the equity went up from €501.6 million to €533.8 million as of 30 September 2014. Therefore, our equity ratio increased considerably compared to 31 December 2013, reaching

EQUITY RATIO

%



a value of 59.4 per cent (31 December 2013: 55.1 per cent). Based on the current earnings and the equity development, the extrapolated return on equity improved noticeably to 14.5 per cent (prior year: 11.5 per cent).



Due to the excellent development of the equity, the equity to non-current assets ratio climbed to 171.2 per cent as of 30 September 2014, compared to 167.6 per cent as of 31 December 2013. As BECHTLE's liquidity exceeds its total liability, the group's net debt amounts to a negative value of –€60.0 million, i.e. BECHTLE is free of debt. We were able to further reduce the dependence on external creditors. As of 30 September 2014, the debt ratio was 68.3 per cent, considerably lower than as of the end of the fiscal year 2013 (81.5 per cent).

KEY BALANCE SHEET FIGURES OF THE BECHTLE GROUP

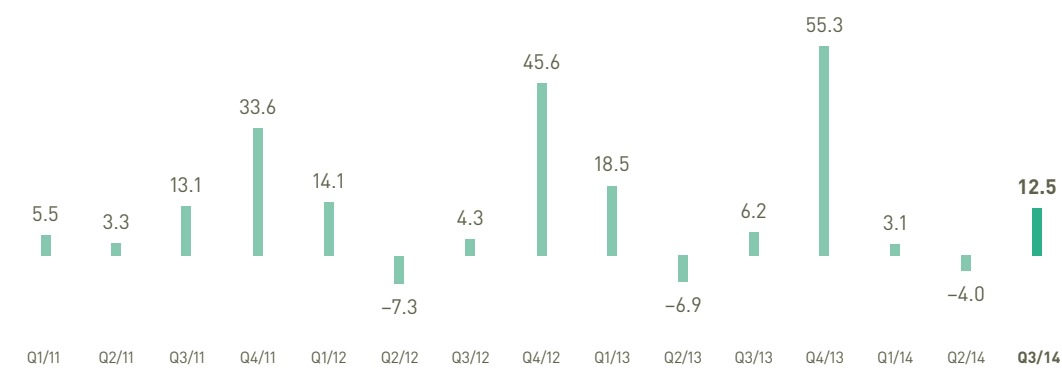
		30.09.2014	31.12.2013
Balance sheet total	€m	898.4	910.3
Cash and cash equivalents including time deposits and securities	€m	118.7	156.1
Equity	€m	533.8	501.6
Equity ratio	%	59.4	55.1
Equity to non-current assets ratio	%	171.2	167.6
Net debt	€m	–60.0	–91.9
Debt ratio	%	68.3	81.5
Working capital	€m	279.9	234.6

Development of the Cash Flow

Year on year, the net cash generated from ongoing business activities in the period from January to September 2014 dropped €6.2 million to €11.6 million. This was mainly due to changes in the net assets, which resulted in a cumulatively higher cash outflow than in the corresponding prior-year period. The main reasons for this were the increase of €19.4 million in the cash outflow for the reduction of the trade payables, which was due to reasons related to the reporting date, and the increase of €13.5 million in the cash outflow for the stockpiling of inventories due to the higher business volume.

CASH FLOW FROM OPERATING ACTIVITIES

€m

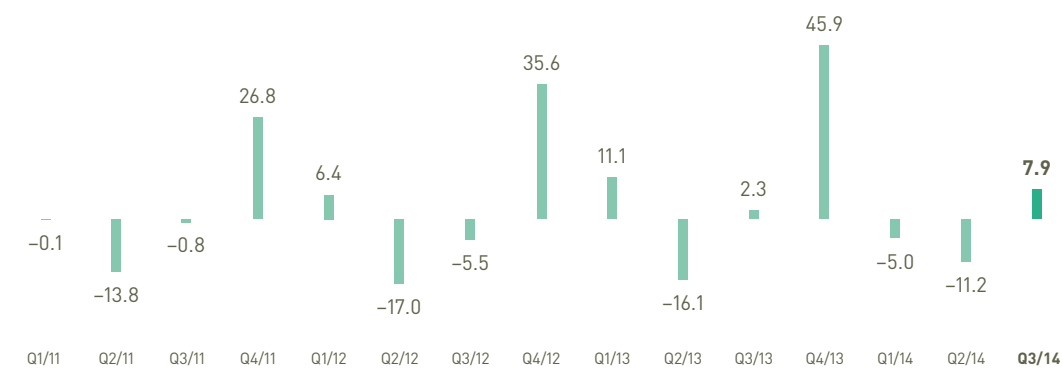


Year on year, the net cash used for investments in the first nine months of 2014 increased from €12.3 million to €17.8 million, especially due to changes in time deposits and securities. In 2013, this item had still been marked by the shift of cash and cash equivalents to time deposits.

The cash flow from financing activities amounted to minus €30.7 million, €6.3 million more than in the prior year (minus €24.4 million). The increase was caused by the lower cash inflow from the raising of new financial liabilities.

FREE CASH FLOW

€m



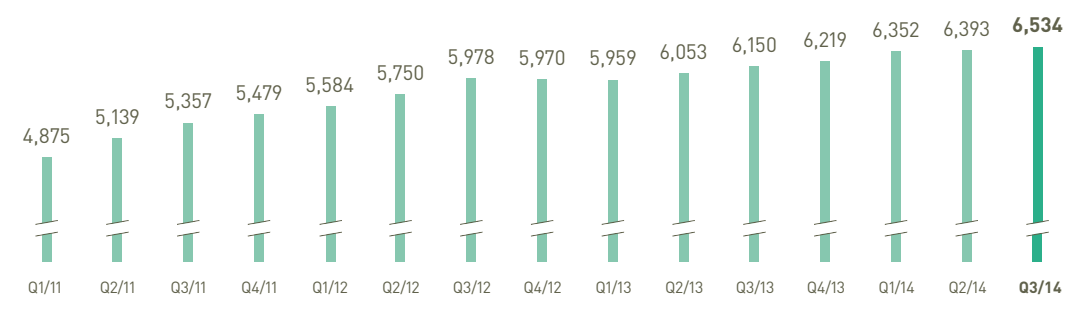
From January to September, the free cash flow dropped to minus €8.3 million (prior year: minus €2.8 million). The outflow for acquisitions and especially for investments in intangible assets and property, plant and equipment could not be compensated by the cash flow from operating activities. However, the free cash flow developed positively in the third quarter. Year on year, it increased from €2.3 million to €7.9 million in the period from July to September.

EMPLOYEES

- Headcount increasing continually
- 130 young trainees start their training

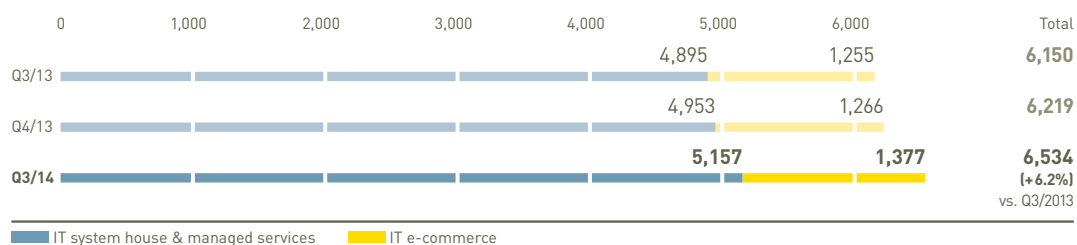
As of the reporting date 30 September 2014, the BECHTLE Group had a total of 6,534 employees, including 476 trainees. Compared to 31 December 2013, this represents an increase of 315 persons. The increase of 5.1 per cent is the result of acquisitions as well as new recruitment. Compared to 30 September 2013, the headcount went up by 384, an increase of 6.2 per cent.

EMPLOYEES IN THE GROUP



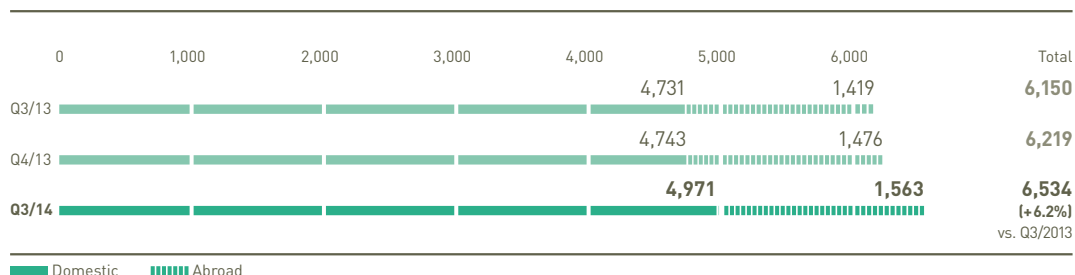
In the IT e-commerce segment, new employees were hired both in Germany and abroad. Here, the number of employees went up by 111 persons compared to December 2013, an increase of 8.8 per cent. The system house segment recorded growth of 4.1 per cent in the number of employees, which was especially attributable to the headcount increase in the domestic system houses.

EMPLOYEES BY SEGMENTS



With a total of 4,971 persons as of 30 September 2014, Germany still accounts for over three quarters of the workforce, though as a whole, the headcount abroad increased at a higher rate.

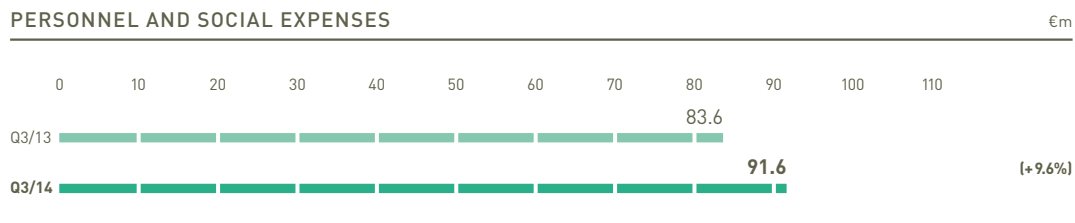
EMPLOYEES BY REGIONS



The average headcount in the group in the period from July to September 2014 amounted to 6,436, some 364 employees more than in the corresponding prior-year period.

In the period from July to September 2014, personnel and social expenses totalled €91.6 million, 9.6 per cent more than in the prior year (€83.6 million). The expense ratio receded from 15.0 per cent to 14.8 per cent. In this area, the moderate headcount increase of the preceding quarters is still noticeable. Based on an average number of 5,913 full-time and part-time employees (prior year: 5,558), personnel and social expenses per employee increased slightly to €15.5 thousand in the third quarter of 2014 (prior year: €15.0 thousand).

PERSONNEL AND SOCIAL EXPENSES



From March to May, the largest recruiting survey in the German-speaking countries examined the recruiting qualities of 500 employers in Germany, 500 in Austria and 500 in Switzerland for the third time. As the best enterprise in its industry, BECHTLE AG was awarded the label "Best Recruiter" in gold in July. This award corroborates the recruitment strategy of our company.

At the end of the reporting period, the group had 476 young trainees (prior year: 480), including 61 junior staff members abroad. On 1 September 2014, 130 young men and women embarked on their training or dual studies at BECHTLE AG (prior year: 140). As of the reporting date 30 September 2014, the training ratio in Germany was 8.6 per cent (prior year: 9.4 per cent).

After the end of the reporting period, BECHTLE AG participated in the "Training Night" on 16 October. A total of 261 people made use of the opportunity to ask our current trainees and students at the company headquarters in Neckarsulm about the various training options in the company and establish some first contacts.

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. In the reporting period, the scope of development services was insignificant.

OPPORTUNITIES AND RISKS

■ General economic risks materialising

■ E-commerce network expanded



See
Annual Report 2013,
page 104 ff

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 those presented in the Annual Report 2013. In the course of the third quarter of 2014, no additional material opportunities or risks arose compared to the situation presented in the last Annual Report. Currently, no risks are known that could – individually or collectively – endanger the going concern. Apart from this, the changes in the risk situation and in the assessment of opportunities were as follows.

The macroeconomic risks described in the annual report materialised in the third quarter, at least to a certain extent. The political crisis spots around the globe, such as the debts of some European countries, the conflict in the Ukraine, the situation in the Middle East and the spread of Ebola, have had significant adverse effects on economic performance. Due to the great number of crisis spots, uncertainty could increase in Europe and especially in Germany, resulting in a deterioration of the macroeconomic situation. The mood indicators for the German economy have declined for several months. The growth forecasts for the German economy have also been taken back. However, it is not yet foreseeable whether an economic downturn will actually occur and, if it does, whether this will happen in 2015 or already in 2014.

In the IT e-commerce segment, we entered a partnership with the New Zealand company Lexel Systems Ltd. in the third quarter, thereby further expanding our partner network in addition to the alliances already signed with PC Connection and Atea. These partnerships provide us with further opportunities for promoting the internationalisation of our trading business. In this way, BECHTLE is able to accommodate the increase in enquiries from businesses with a global positioning which have a need for comprehensive customer care in Europe and beyond. In addition, the alliances are expected to expand BECHTLE'S IT e-commerce strategy. Therefore, we intend to further expand our cooperation with partners inside and outside Europe. These partnerships, as well as others that may be established in the future, complement previous internationalisation measures and thus represent a key element of the strategic positioning on the path to the "BECHTLE Vision 2020".

Apart from this, the third quarter of 2014 did not see any new circumstances that would have resulted in a change of the risk position or the evaluation of opportunities.

SHARE

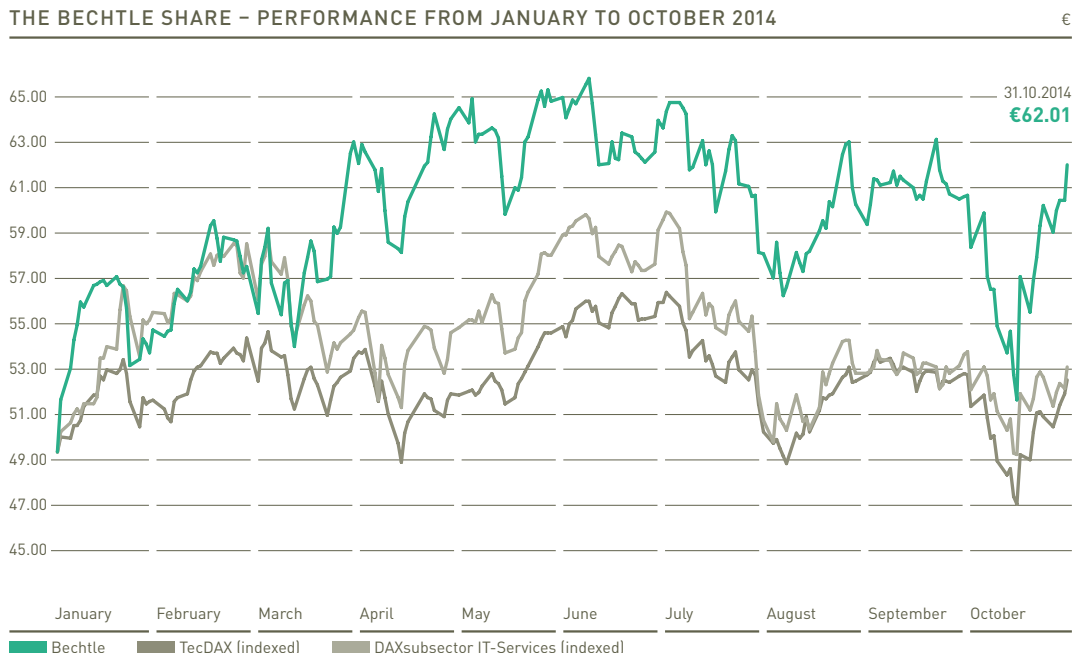
■ Stock markets affected by crises

■ Bechtle shares drop off

Especially at the beginning of the third quarter, the stock markets exhibited volatile development due to increasing geopolitical tension and inconsistent economic data. The development levelled off towards the end of the reporting period. In total, the indexes lost several percentage points in the course of the quarter. On 30 September, the DAX thus closed with a loss of 4.3 per cent. The TecDAX lost 5.6 per cent.

The BECHTLE share was unable to escape this global trend. Entering the new quarter at a closing price of €63.97 on 1 July, the share already reached its high of €64.76 on 7 July. Thereafter, the share price followed the general downward trend and reached its quarterly low of €56.27 on 7 August. After that, the price recovered to a level around €61.00, where it remained until the end of the quarter. On 30 September, the share was quoted at a closing price of €60.59. In total, our share lost 5.3 per cent in the third quarter.

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY TO OCTOBER 2014



On average, 32,074 shares were traded on every trading day in the third quarter of 2014, compared to 20,195 shares in the prior year. The daily turnover averaged €1,941,027, a significant year-on-year increase. In the TecDAX ranking of Deutsche Börse, BECHTLE ranked 19th in September in terms of the stock exchange turnover, five places higher than in the prior year. In terms of market cap, the company ranked 13th (prior year: 17th).

TRADING DATA OF THE BECHTLE SHARE

		Q3/2014	Q3/2013	Q3/2012	Q3/2011	Q3/2010
Closing price at beginning of quarter	€	63.97	35.62	29.58	30.84	20.51
Closing price at end of quarter	€	60.59	37.77	30.00	25.05	24.25
High (closing price)	€	64.76	38.45	32.09	34.21	24.60
Low (closing price)	€	56.27	34.80	29.45	23.48	20.51
Performance – absolute	€	–3.38	2.15	0.42	–5.79	3.74
Performance – relative	%	–5.3	6.0	1.4	–18.8	18.2
Market cap – total ¹	€m	1,272.4	793.2	630.0	526.1	509.3
Avg. turnover/trading day ²	shares	32,074	20,195	31,942	72,995	25,959
Avg. turnover/trading day ²	€	1,941,027	753,361	982,684	2,053,248	591,331

Xetra price data

¹ As of 30 September

² All German stock exchanges

EARNINGS PER SHARE

		Q3/2014	Q3/2013	Change	9M/2014	9M/2013	Change
Earnings after taxes	€k	21,146	17,609	20.1%	52,370	38,085	37.5%
Avg. number of shares	th. shares	21,000	21,000	–	21,000	21,000	–
Earnings per share	€	1.00	0.83	20.1%	2.49	1.81	37.5%

In September and October, BECHTLE AG held its traditional shareholders' days for the 10th time. On two dates, some 100 visitors made use of the opportunity to engage in intensive discussions with company representatives at the headquarters in Neckarsulm. The event series enables the company to maintain close contact with its private shareholders and potential buyers.

In July, quirin bank AG started covering the BECHTLE share. Thus, the company is now monitored and regularly rated by eleven banks and research firms.

FORECAST

- Economic development at moderate level
- Bechtle concretises forecast for 2014



For events after
the reporting period,
see Notes
page 44

Macroeconomy

Following the surprisingly weak second quarter, the growth forecasts for the year as a whole were reduced on all fronts. The European Central Bank (ECB) believes that the economy in the EU is likely to pick up slightly in the second half of 2014. For 2015, the ECB expects rather moderate growth.



www.ecb.europa.eu

In October, the growth forecast for Switzerland was also corrected downwards. According to estimates of the State Secretariat for Economic Affairs (SECO), the Swiss economy is nevertheless expected to perform significantly better than the EU. The GDP growth is to amount to 1.8 per cent in 2014 and 2.4 per cent in 2015. However, the forecasts for investments in equipment have fallen considerably. Thus, a growth of only 1.1 per cent is expected for 2014 (the June forecast had projected a value of 3.0 per cent) and a value of 3.0 per cent for 2015 (June forecast: 6.0 per cent).



www.seco.admin.ch

According to Deutsche Bundesbank, the economic performance in Germany in the final quarter is to stagnate or merely undergo slight growth. The current forecasts for the year as a whole provide for a GDP growth of 1.2 to 1.6 per cent in Germany. A growth of 1.3 to 2.0 per cent is expected for 2015.



www.bundesbank.de/en

Industry

Contrary to the macroeconomic trend, the forecasts for the IT market in Germany have been corrected upwards. The BITKOM industry association currently anticipates a growth of 4.3 per cent for the current year. The main reason for this forecast adjustment is the surprisingly positive development of the hardware sales. Following the end of support of Windows XP, this area benefited from the strong demand for desktop PCs and laptops. Accordingly, hardware sales are now even expected to be the growth driver, with an increase of 5.8 per cent. At the beginning of the year, BITKOM had believed that hardware sales would stagnate. BITKOM currently predicts a growth of 5.6 per cent in the software segment and of 2.7 per cent in the field of services.



www.bitkom.org/en

Performance of the Bechtle Group

Despite the weakening macroeconomic dynamics and the continuous decline of the mood indicators since mid-year, BECHTLE'S performance in the first nine months of the year was excellent. Our revenue and especially our earnings greatly outstripped the prior-year values.

From the current perspective, we are confident that our revenue and earnings position will outperform the prior year in the fourth quarter as well, despite the fact that many indicators seem to point to a further slowdown of the economic dynamics. However, we expect the dynamics to be weaker than in the preceding nine months. Thus, we can now be more specific about our original forecast for the year as a whole, which provided for a significant revenue and earnings increase, in that we continue to anticipate a significant revenue increase and substantial earnings growth for 2014.

We continually evaluate potential acquisition targets. For this, we consider both smaller and larger enterprises. All in all, acquisitions will continue to play a key role in our growth strategy, either to complement our regional positioning or to supplement our competence profile.

Irrespective of the acquisitions, we intend to continue to increase our headcount in 2014 as well as in 2015. The continuous increase in the number of employees mainly serves the realisation of growth and thus the medium-term to long-term further development of BECHTLE. However, we expect the dynamics of the headcount increase to remain lower than those of the revenues growth.

In the IT e-commerce segment, we do not plan to establish any new companies in the short run. Instead, the focus is on the consolidation of the BECHTLE DIRECT companies newly established abroad at annual intervals over the past years and on the expansion of brand awareness. Following the successful negotiations with PC Connection for the USA, with ATEA for Scandinavia and the Baltics, and with Lexel for Australia and New Zealand, we now plan to concentrate especially on the development of our global alliances.

Our sustainable earnings power and stable liquidity base provide us with the funds needed for continuing to realise our planned growth in the future as well. There are no plans for material changes to our company structure and organisation or to our business targets and strategies.

Neckarsulm, 11 November 2014

BECHTLE AG

The Executive Board

CONSOLIDATED INCOME STATEMENT

	€k			
	01.07 – 30.09.2014	01.07 – 30.09.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Revenue	618,281	558,805	1,808,653	1,591,272
Cost of sales	523,017	473,732	1,536,316	1,353,924
Gross profit	95,264	85,073	272,337	237,348
Distribution costs	39,671	36,605	121,047	111,078
Administrative expenses	29,736	26,182	87,821	80,204
Other operating income	4,183	2,887	11,074	8,573
Earnings before interest and taxes	30,040	25,173	74,543	54,639
Financial income	485	367	1,371	1,206
Financial expenses	673	791	2,127	2,418
Earnings before taxes	29,852	24,749	73,787	53,427
Income taxes	8,706	7,140	21,417	15,342
Earnings after taxes (attributable to shareholders of Bechtle AG)	21,146	17,609	52,370	38,085
Net earnings per share (basic and diluted) in €	1.00	0.83	2.49	1.81
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 32 f

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07 – 30.09.2014	01.07 – 30.09.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Earnings after taxes	21,146	17,609	52,370	38,085
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses on pension provisions	-66	-117	-148	139
Income tax effects	11	21	24	-24
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses on securities	-56	-69	-224	-285
Income tax effects	4	9	18	35
Unrealised gains and losses on financial derivatives	3,107	-1,261	3,790	-1,144
Income tax effects	-880	369	-1,086	335
Currency translation differences of net investments in foreign operations	0	64	42	1
Income tax effects	0	-3	0	2
Hedging of net investments in foreign operations	-444	-552	-1,313	679
Income tax effects	130	162	384	-198
Currency translation differences	672	830	1,482	-1,035
Other comprehensive income	2,478	-547	2,969	-1,495
of which income tax effects	-735	558	-660	150
Total comprehensive income (attributable to shareholders of Bechtle AG)	23,624	17,062	55,339	36,590



See
further comments
in the Notes,
in particular IV. and V.,
page 33 and page 34 f

CONSOLIDATED BALANCE SHEET

ASSETS

€k

	30.09.2014	31.12.2013	30.09.2013
Non-current assets			
Goodwill	144,704	139,885	138,082
Other intangible assets	20,781	19,293	18,431
Property, plant and equipment	102,791	99,747	98,171
Trade receivables	5,628	1,547	1,520
Income tax receivables	57	84	89
Deferred taxes	3,188	4,131	5,071 ¹
Other assets	2,596	2,513	2,448
Time deposits and securities	32,046	32,012	37,217
Total non-current assets	311,791	299,212	301,029¹
Current assets			
Inventories	144,442	107,638	113,318
Trade receivables	312,964	345,195	287,098
Income tax receivables	1,014	1,029	1,787
Other assets	41,516	33,181	34,114
Time deposits and securities	17,310	18,255	23,483
Cash and cash equivalents	69,350	105,838	59,159
Total current assets	586,596	611,136	518,959
Total assets	898,387	910,348	819,988¹



See
further comments
in the Notes,
in particular V.,
page 34 f

¹ Adjusted figure, see annual report page 151 f

EQUITY AND LIABILITIES

€k

	30.09.2014	31.12.2013	30.09.2013
Equity			
Issued capital	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228
Retained earnings	367,576	335,337	308,946
Total equity	533,804	501,565	475,174
Non-current liabilities			
Pension provisions	6,247	6,382	10,579
Other provisions	3,945	2,307	2,873
Financial liabilities	48,062	53,625	55,455
Trade payables	346	438	52
Deferred taxes	16,898	15,128	14,722 ¹
Other liabilities	2,257	538	634
Deferred income	9,337	12,369	9,425
Total non-current liabilities	87,092	90,787	93,740¹
Current liabilities			
Other provisions	5,095	5,774	5,637
Financial liabilities	10,641	10,546	17,417
Trade payables	138,335	170,518	130,115
Income tax payables	8,719	6,519	2,015
Other liabilities	68,530	79,941	55,774
Deferred income	46,171	44,698	40,116
Total current liabilities	277,491	317,996	251,074
Total equity and liabilities	898,387	910,348	819,988¹

¹ Adjusted figure, see annual report page 151f

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 2013	21,000	145,228	292,041¹	1,315¹	293,356	459,584
Distribution of profits for 2012			-21,000		-21,000	-21,000
Earnings after taxes			38,085		38,085	38,085
Other comprehensive income				-1,495	-1,495	-1,495
Total comprehensive income	0	0	38,085	-1,495	36,590	36,590
Equity as of 30 September 2013	21,000	145,228	309,126¹	-180¹	308,946	475,174
Equity as of 1 January 2014	21,000	145,228	334,438	899	335,337	501,565
Distribution of profits for 2013			-23,100		-23,100	-23,100
Earnings after taxes			52,370		52,370	52,370
Other comprehensive income				2,969	2,969	2,969
Total comprehensive income	0	0	52,370	2,969	55,339	55,339
Equity as of 30 September 2014	21,000	145,228	363,708	3,868	367,576	533,804

¹ Adjusted figure, see annual report 2013 page 151f



See further
comments
in the Notes,
in particular V.,
page 34f

CONSOLIDATED CASH FLOW STATEMENT

	01.07 – 30.09.2014	01.07 – 30.09.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Operating activities				
Earnings before taxes	29,852	24,749	73,787	53,427
Adjustment for non-cash expenses and income				
Financial earnings	188	424	756	1,212
Depreciation and amortisation of intangible assets and property, plant and equipment	5,749	5,535	17,032	16,833
Gains and losses on disposal of intangible assets and property, plant and equipment	22	-1	8	-16
Other non-cash expenses and income	1,088	725	1,316	1,506
Changes in net assets				
Changes in inventories	-10,299	-18,305	-37,089	-23,622
Changes in trade receivables	9,145	-159	30,686	21,528
Changes in trade payables	-6,614	2,917	-34,741	-15,300
Changes in deferred income	-4,073	-2,731	-2,765	-2,290
Changes in other net assets	-6,580	-1,800	-19,044	-15,305
Income taxes paid	-5,964	-5,129	-18,308	-20,142
Cash flow from operating activities	12,514	6,225	11,638	17,831
Investing activity				
Cash paid for acquisitions less cash acquired	0	0	-3,241	-3,748
Cash received from divestments	0	333	0	333
Cash paid for investments in intangible assets and property, plant and equipment	-4,771	-4,360	-17,014	-17,426
Cash received from the sale of intangible assets and property, plant and equipment	157	59	293	255
Cash paid for the acquisition of time deposits and securities	-2,013	0	-12,013	-20,000
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	3,358	11	12,612	26,838
Interest payments received	553	385	1,602	1,429
Cash flow from investing activities	-2,716	-3,572	-17,761	-12,319
Financing activities				
Cash paid for the repayment of financial liabilities	-3,405	-1,923	-9,563	-10,193
Cash received from the assumption of financial liabilities	692	5,371	4,006	9,186
Dividends paid	0	0	-23,100	-21,000
Interest paid	-649	-810	-2,038	-2,395
Cash flow from financing activities	-3,362	2,638	-30,695	-24,402
Exchange-rate-related changes in cash and cash equivalents	159	225	330	-159
Changes in cash and cash equivalents	6,595	5,516	-36,488	-19,049
Cash and cash equivalents at the beginning of the period	62,755	53,643	105,838	78,208
Cash and cash equivalents at the end of the period	69,350	59,159	69,350	59,159



See
further comments
in the Notes,
in particular VI.,
page 36

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 2014 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 30 September 2014 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 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 revenue and earnings contributions tended to be at their lowest in the first quarter and at their highest 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



www.efrag.org

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:

Pronouncement	Publication by IASB/IFRIC	Endorsement (EU)	Effective date (EU) ¹
Voluntary adoption of pronouncements ahead of time			
IFRIC 21 Levies	20 May 2013	13 June 2014	17 June 2014

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

IFRIC 21 Levies. IFRIC 21 provides guidance on when and how to recognise a liability for a levy imposed by laws and regulations of a government. The obligating event for the recognition of a liability is identified as the activity that triggers the payment obligation in accordance with the relevant legislation. The liability is recognised progressively if the obligating event occurs over a period of time. If an obligation is triggered upon reaching a threshold value, the liability is recognised when that threshold value is reached. At BECHTLE, the first-time adoption of the interpretation does not have any noteworthy effect on the assets, financial and earnings position.

BECHTLE had already adopted the new and amended standards and interpretations whose adoption is mandatory for the fiscal year 2014 ahead of time for the consolidated financial statements for the fiscal year 2013.

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 2013. For further information, please refer to the consolidated financial statements as of 31 December 2013, which form the basis for these interim financial statements.



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

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, Neckarsulm, and all subsidiaries in which it holds a controlling interest. As in the prior year, BECHTLE AG directly or indirectly holds all interests and voting rights in all consolidated companies.

The following companies were included in the scope of consolidation for the first time in this reporting period:

Company	Headquarters	Date of initial consolidation	Acquisition/foundation
AMARAS AG	Monheim am Rhein, Germany	1 February 2014	Acquisition
PLANET! Software-Vertrieb & Consulting GmbH	Wien, Austria	5 March 2014	Acquisition
Bechtle Management GmbH	Wien, Austria	26 June 2014	Foundation

¹ Meanwhile renamed planetsoftware GmbH

Further disclosures concerning the acquired companies are presented in section X. "Acquisitions and Purchase Price Allocation".



See page 40ff

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

Expense Structure

	Cost of sales		Distribution costs		Administrative expenses	
	01.01 – 30.09.2014	01.01 – 30.09.2013	01.01 – 30.09.2014	01.01 – 30.09.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Material costs	1,372,600	1,201,146	0	0	0	0
Personnel expenses	127,133	117,375	96,499	87,389	57,341	51,156
Depreciation and amortisation	8,216	7,965	3,980	3,956	4,836	4,912
Other operating expenses	28,367	27,438	20,568	19,733	25,644	24,136
Total expenses	1,536,316	1,353,924	121,047	111,078	87,821	80,204

€k



See
Segment reporting,
Income statement,
page 39

The year-on-year increase in material costs, personnel expenses and other operating expenses was mainly caused by the much higher business volume in the reporting period. The decline in depreciation and amortisation resulted from the decline in amortisation of intangible assets that were capitalised in connection with acquisitions. Year on year, the other depreciation of property, plant and equipment and amortisation of intangible assets underwent an increase.

The material costs include net expenses of €26 thousand from exchange rate fluctuations (prior year: net income of €229 thousand).

Other Operating Income

Other operating income mainly consisted of marketing grants and other payments from suppliers amounting to €9,689 thousand (prior year: €7,580 thousand).

Financial Income and Financial Expenses

The financial income mainly comprises income from time deposits and securities as well as cash and cash equivalents. As previously, the monetary investment strategy focuses on ensuring the company's unlimited solvency at all times and only permits particularly low-risk or hedged investments.

The financial expenses mainly include interest paid for the financial liabilities. The year-on-year decline in financial expenses occurred due to the lower loan liabilities.

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 – 30.09.2014	01.01 – 30.09.2013
Earnings after taxes	€k	52,370	38,085
Average number of outstanding shares		21,000,000	21,000,000
Earnings per share	€	2.49	1.81

According to 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

The other comprehensive income was mainly affected by the development of the euro/Swiss franc exchange rate. Unlike the corresponding prior-year period, in which the Swiss franc had lost value against the euro, the Swiss currency gained value in the first nine months of 2014.



See page 25

Apart from this, the other comprehensive income was influenced by the hedging of the currency risk for future goods purchases in USD and the hedging of the interest rate risk of loans with variable interest rates, which were accounted for as cash flow hedges. The market value (€1,287 thousand) that is attributable to the effective part of the hedges was recognised outside profit or loss under other comprehensive income under consideration of the deferred taxes (–€364 thousand). These comprise forward exchange contracts, currency options and interest rate swaps. In terms of the volume and time, the planned cash flows correspond to the financial transactions. These hedges can be considered as effective even in the case of realistic deviations from the plan. In the current period, ineffectiveness in the amount of –€10 thousand, which had resulted from the time differences between the maturities of the transactions and the associated liabilities, was recognised under financial earnings. In the period under review, a hedge of \$8,500 thousand had to be reversed, as the expected payments did not occur and are no longer expected as originally planned. This resulted in a loss amounting to €140 thousand, which was recognised under operating expenses.



See
Annual Report 2013,
page 194 ff

Details on the composition of the other comprehensive income, which is recognised 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".



See page 34 f

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

Assets

The reduction of the trade receivables in the reporting period resulted from seasonal fluctuations during the year, with a high-revenue final quarter. The significant increase in inventories was due to the higher business volume and the stock levels required for ongoing large projects. The increase in other assets, especially the higher receivables from suppliers and the higher accrued income, resulted from the higher business volume.



See page 40 ff

Compared to the consolidated financial statements as of 31 December 2013, the assets of the BECHTLE Group as of 30 September 2014 also contain the assets of the companies newly acquired in the period under review.

Equity

Retained Earnings



Dividends paid

At the Annual General Meeting on 5 June 2014, a resolution was adopted to pay a dividend of €1.10 per no-par share with dividend entitlement for the fiscal year 2013. The dividend was paid out on 6 June 2014.

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 is to be recognised outside profit or loss was composed as follows:

	30.09.2014			31.12.2013		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Actuarial gains and losses on pension provisions	-9,002	1,546	-7,456	-8,854	1,522	-7,332
Unrealised gains and losses on securities	90	-7	83	314	-25	289
Unrealised gains and losses on financial derivatives	1,287	-364	923	-2,503	722	-1,781
Currency translation differences of net investments in foreign operations	0	0	0	-42	0	-42
Hedging of net investments in foreign operations	-9,974	2,906	-7,068	-8,661	2,522	-6,139
Currency translation differences	17,386	0	17,386	15,904	0	15,904
Other comprehensive income	-213	4,081	3,868	-3,842	4,741	899

€k

€k

	01.01 – 30.09.2014			01.01 – 30.09.2013		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains and losses on pension provisions	-148	24	-124	139	-24	115
Items that will be reclassified to profit or loss in subsequent periods						
Unrealised gains and losses on securities	-224	18	-206	-285	35	-250
Gains and losses that arose in the current period	-173	14	-159	-194	18	-176
Reclassifications to profit and loss	-51	4	-47	-91	17	-74
Unrealised gains and losses on financial derivatives	3,790	-1,086	2,704	-1,144	335	-809
Gains and losses that arose in the current period	3,838	-1,100	2,738	-1,294	379	-915
Reclassifications to profit and loss	-48	14	-34	150	-44	106
Currency translation differences of net investments in foreign operations	42	0	42	1	2	3
Gains and losses that arose in the current period	42	0	42	3	2	5
Reclassifications to profit and loss	0	0	0	-2	0	-2
Hedging of net investments in foreign operations	-1,313	384	-929	679	-198	481
Gains and losses that arose in the current period	-1,313	384	-929	679	-198	481
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	1,482	0	1,482	-1,035	0	-1,035
Other comprehensive income	3,629	-660	2,969	-1,645	150	-1,495

Liabilities

The changes, especially those concerning the trade payables and the current other liabilities, 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.

The increase in non-current other liabilities was caused by the long-term purchase price payments that were agreed for the companies newly acquired in 2014. Compared to the consolidated financial statements as of 31 December 2013, the liabilities of the BECHTLE Group as of 30 September 2014 also contain the liabilities of the companies newly acquired in the period under review.



For further details of the loans, see Annual Report 2013, page 186 f



See page 40 ff

VI. NOTES TO THE CASH FLOW STATEMENT

Year on year, the outflows for inventories increased due to the much higher business volume and ongoing large projects. Apart from the higher inventories, the year-on-year decline of the cash flow from operating activities resulted from the greater reduction of trade payables due to the reporting date. The higher earnings before taxes and the higher inflow from trade receivables compared to the corresponding prior-year period could not compensate this effect.

The cash flow from investing activities reflects the outflows for acquisitions and investments and payments in connection with time deposits and securities.

The cash flow from financing activities was mainly marked by the dividend that was paid out in the reporting period. The dividend for the fiscal year 2013 amounted to €23,100 thousand. The dividend for the fiscal year 2012, which had been paid out in the prior year, had amounted to €21,000 thousand. Moreover, compared to the previous year a smaller amount of supplier loans was raised in the reporting period.

VII. OPERATING LEASES

The future minimum lease payments from rental and leasing contracts classified as "operating leases" according to IAS 17 amounted to €61,339 thousand as of 30 September 2014 (31 December 2013: €63,382 thousand).

	€k	
	30.09.2014	31.12.2013
Due within one year	24,010	24,427
Due between one and five years	31,419	31,866
Due after five years	5,910	7,089
Total minimum lease payments	61,339	63,382

VIII. FAIR VALUE OF FINANCIAL INSTRUMENTS



See

Annual Report 2013,
page 166 ff and page 191 f

Financial assets and liabilities (financial instruments) are classified according to IFRS 7. The allocation of the financial instruments contained in the individual balance sheet items in this interim financial report corresponds to the allocation in the Annual Report 2013.

According to IFRS 13, the measurement methods are divided into the following three levels, depending on the key parameters on which the measurement is based:

Level 1: Measurement at prices (not adjusted) quoted on active markets for identical assets and liabilities

Level 2: Measurement of the asset or liability takes place either directly or indirectly on the basis of observable input data, which do not represent quoted prices as stated in Level 1

Level 3: Measurement is based on models using input parameters not observable on the market

The following table compares the carrying amounts and fair value of the financial instruments for the classes of financial instruments according to IFRS 7 and their measurement level according to IFRS 13:

€k						
Class pursuant to IFRS 7	Measurement category	Carrying amount 30.09.2014	Fair value 30.09.2014	Carrying amount 31.12.2013	Fair value 31.12.2013	Level
Assets						
Non-current trade receivables	LAR	5,628	5,633	1,547	1,522	3
Current trade receivables	LAR	312,964	312,964	345,195	345,195	3
Securities	AFS	14,174	14,174	17,600	17,600	1
Time deposits						
Bond loans	LAR	30,142	30,572	30,192	30,506	2
Insurances	LAR	5,040	5,178	2,475	2,258	3
Other financial assets	LAR	20,112	20,112	17,335	17,335	3
Long-term lending	LAR	561	595	595	648	3
Financial derivatives						
Derivatives with hedge relationship	n/a	1,387	1,387	0	0	2
Derivatives without hedge relationship	FAFVPL	1	1	7	7	2
Cash and cash equivalents	LAR	69,350	69,350	105,838	105,838	1
Liabilities						
Loans	FLAC	58,703	65,994	64,171	69,340	2
Non-current trade payables	FLAC	346	340	438	427	3
Current trade payables	FLAC	138,335	138,335	170,518	170,518	3
Other financial liabilities	FLAC	49,357	49,357	50,050	50,050	3
Liabilities resulting from acquisitions	FLFVPL	3,041	3,041	465	465	3
Financial derivatives						
Derivatives with hedge relationship	n/a	1,454	1,454	2,523	2,523	2
Derivatives without hedge relationship	FLFVPL	297	297	23	23	2
Thereof aggregated according to valuation category pursuant to IAS 39						
	LAR	443,797	444,404	503,177	503,302	
	AFS	14,174	14,174	17,600	17,600	
	FLAC	246,741	254,026	285,177	290,335	
	FAFVPL	1	1	7	7	
	FLFVPL	3,338	3,338	488	488	

Abbreviations used for the measurement categories of IAS 39:

LAR = Loans and receivables

AFS = Available-for-sale financial assets

FLAC = Financial liabilities at amortised cost

FAFVPL = Financial assets measured at fair value through profit and loss

FLFVPL = Financial liabilities measured at fair value through profit and loss



See

Annual Report 2013,
page 192

Except for the following two classes, the definitions and measurement methods correspond to those described in the Annual Report 2013:

Liabilities resulting from acquisitions are conditional, additional purchase price payments (earn-outs) for acquisitions (IFRS 3.58). The fair value was determined with the help of the DCF method. Apart from the planned business development of the unit taken over, a discount rate that is appropriate for the period was used. The creditworthiness of the debtor BECHTLE (IFRS 13.42 ff) was taken into account via an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay. The factor that has the greatest impact on the fair value is the planned business development. In the event of a reduction of the target achievement to 90 per cent of the target achievement assumed at the acquisition, the liabilities from acquisitions would drop almost 19 per cent; in the event of an increase to 110 per cent of the target achievement assumed at the acquisition, the liabilities would increase almost 9 per cent. These liabilities will reach maturity in 2014 to 2019.

The **insurances** class contains pension funds as capital investments. These investments were made in the first quarter of 2014. The TEP market investments that were included in this class as of the end of 2013 have reached maturity in the meantime. The fair value of the pension funds corresponds to the discounted amount of the payment guaranteed plus creditworthiness impairment.

During the reporting period up to 30 September 2014, there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications to or from measurements at fair value of Level 3.

The financial instruments measured in Level 3 and balanced at fair value developed as follows:

							€k
Financial assets and liabilities in Level 3	01.01.2014	Total gains and losses		Additions	Compensation/ settlement	Reclassification	30.09.2014
		Included in financial earnings	Included in other comprehensive income				
Liabilities resulting from acquisitions	465	39	0	2,537	0	0	3,041



See page 40 ff

The €39 thousand posted as expense under financial earnings were fully attributable to future payments accounted for as of 30 September 2014.

IX. SEGMENT INFORMATION

The segment information is presented on the basis of the same principles as in the consolidated financial statements for the fiscal year 2013.

€k

	01.01 – 30.09.2014			01.01 – 30.09.2013		
	IT system house & managed services	IT e-commerce	Group	IT system house & managed services	IT e-commerce	Group
By segments						
Total segment revenue	1,198,013	613,319		1,071,472	521,702	
less intersegment revenue	-2,188	-491		-1,725	-177	
External revenue	1,195,825	612,828	1,808,653	1,069,747	521,525	1,591,272
Depreciation and amortisation	-10,804	-2,991	-13,795	-10,140	-2,824	-12,964
Amortisation from acquisitions	-3,237	0	-3,237	-3,364	-505	-3,869
Earnings before interest and taxes	46,190	28,353	74,543	32,081	22,558	54,639
Financial earnings			-756			-1,212
Earnings before taxes			73,787			53,427
Income taxes			-21,417			-15,342
Earnings after taxes			52,370			38,085
Investments	13,642	3,448	17,090	12,313	4,608	16,921
Investments through acquisitions	8,808	0	8,808	2,390	0	2,390

€k

	01.01 – 30.09.2014			01.01 – 30.09.2013		
	Domestic	Abroad	Group	Domestic	Abroad	Group
By regions						
External revenue	1,237,849	570,804	1,808,653	1,104,191	487,081	1,591,272
Investments	13,851	3,239	17,090	13,860	3,061	16,921
Investments through acquisitions	3,627	5,181	8,808	777	1,613	2,390



Segment information
on employees,
see page 43

As the total segment assets have not been and are not part of the internal reporting, this information is not disclosed in the notes in the quarterly reports in accordance with IAS 34.16Agiv.

X. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

AMARAS AG

As of the acquisition date 1 February 2014, the company acquired all interests in AMARAS AG, Monheim am Rhein, 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, the customer service agreements (€1,000 thousand) and a non-compete agreement (€470 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 (€388 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are 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 total net assets (€1,245 thousand), the capital consolidation resulted in a difference of €2,140 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring AMARAS (33 employees), BECHTLE is further developing the managed services business, one of the core business areas.

The presentation of the acquisition in the balance sheet as of the time of initial consolidation is provided in the table at the end of this section.

The company purchase agreement for the acquisition of AMARAS contains a contingent purchase price payment of an unlimited amount, which depends on the acquired company's future business performance. Based on the validated business plan of AMARAS, the fair value of this contingent purchase price payment on the acquisition date was €1,385 thousand.

Other acquisition costs (€2,000 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, AMARAS accounted for €1,723 thousand of the revenue and €233 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qi).

PLANET! Software-Vertrieb & Consulting GmbH

As of the acquisition date 5 March 2014, the company acquired all interests in Planet! Software-Vertrieb & Consulting GmbH, headquartered in Wien, Austria.

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, the customer service agreements (€1,900 thousand), the customer base (€640 thousand) and a non-compete agreement (€400 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 (€714 thousand) were recognised in connection with the capitalisation of the customer service agreements, which are amortised over a period of 10 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 total net assets (€2,410 thousand), the capital consolidation resulted in a difference of €2,080 thousand that is presented as goodwill. This goodwill is not recognised for tax purposes.

By acquiring planetsoftware (36 employees), BECHTLE is stepping up its market presence in Austria and at the same time expanding the local product spectrum. Like the BECHTLE companies SolidLine and SolidPro, planetsoftware is a SolidWorks partner.

The company purchase agreement for the acquisition of planetsoftware contains a contingent purchase price payment of an unlimited amount, which depends on the acquired company's future business performance. Based on the validated business plan of planetsoftware, the fair value of this contingent purchase price payment on the acquisition date was €1,152 thousand.

Other acquisition costs (€3,338 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, planetsoftware accounted for €4,288 thousand of the revenue and –€20 thousand of the earnings before taxes of the BECHTLE Group (IFRS 3.B64qi).

The following table presents the fair value of the assets and liabilities of AMARAS and planetsoftware as of the date of initial consolidation as they appear in the balance sheet:

	€k	
	AMARAS	planetsoftware
Non-current assets		
Goodwill	2,140	2,080
Other intangible assets	1,470	2,956
Property, plant and equipment	17	145
Total non-current assets	3,627	5,181
Current assets		
Inventories	0	70
Trade receivables	563	1,216
Other assets	46	105
Cash and cash equivalents	1,281	816
Total current assets	1,890	2,207
Total assets	5,517	7,388
Non-current liabilities		
Other provisions	0	42
Deferred taxes	388	714
Deferred income	0	48
Total non-current liabilities	388	804
Current liabilities		
Trade payables	1,386	488
Income tax liabilities	55	0
Other provisions and liabilities	303	506
Deferred income	0	1,100
Total current liabilities	1,744	2,094
Total liabilities	2,132	2,898
Total assets – Total liabilities = Acquisition costs	3,385	4,490

Had AMARAS and planetsoftware been acquired at the beginning of the reporting period, the revenue of the BECHTLE Group for the reporting period would have amounted to €1,811 million. Earnings before taxes would not have changed and would have amounted to €74 million (IFRS 3.B64qii).

XI. EMPLOYEES

The employee numbers were as follows:

	30.09.2014	31.12.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Full-time and part-time employees	5,931	5,631	5,835	5,514
Trainees	476	473	421	401
Employees on parental leave	127	115	118	111
Temporary staff	210	184	210	165
Total	6,744	6,403	6,584	6,191

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

	30.09.2014	31.12.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
IT system house & managed services	5,157	4,953	5,052	4,789
Domestic	4,480	4,287	4,367	4,167
Abroad	677	666	685	622
IT e-commerce	1,377	1,266	1,322	1,237
Domestic	491	456	473	448
Abroad	886	810	849	789

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

	30.09.2014	31.12.2013	01.01 – 30.09.2014	01.01 – 30.09.2013
Services	2,966	2,843	2,937	2,768
Sales	1,982	1,841	1,929	1,816
Administration	1,459	1,420	1,390	1,331



See
Annual Report 2013,
page 212 f

XII. ORGANS AND RELATED-PARTY RELATIONSHIPS

The office term of Gerhard Schick, whom the court had appointed as member of the Supervisory Board in December 2013 and who also served as Chairman of the Supervisory Board, ended as of the Annual General Meeting of 5 June 2014. Dr. Matthias Metz was elected as new member of the Supervisory Board and subsequently appointed as Chairman of the Supervisory Board.

Since his departure from the Supervisory Board, Gerhard Schick, father of Karin Schick, the largest shareholder of BECHTLE AG, has continued to make his experience available to the BECHTLE Group within the scope of a consulting agreement without compensation.



See

Annual Report 2013,
page 213

In the third quarter of 2014, Karin Schick acquired a piece of land including a building in which SolidPro, a wholly owned subsidiary of BECHTLE AG, has rented office space. The existing lease with an annual rent of €294 thousand and a term until September 2023 continues to exist.

XIII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

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

Neckarsulm, 11 November 2014

BECHTLE AG

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, 11 November 2014

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.

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 financial accounting and 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. Similarly, totals may differ from the individual values.

FINANCIAL CALENDAR**Interim Report 3rd Quarter 2014 (30 September)**

Wednesday, 12 November 2014

Conference call with analysts, investors and media

Annual Report 2014

Friday, 13 March 2015

Accounts Press Conference

Friday, 13 March 2015, Stuttgart

DVFA Analysts' Conference

Friday, 13 March 2015, Frankfurt (Main)

Interim Report 1st Quarter 2015 (31 March)

Wednesday, 13 May 2015

Conference call with analysts, investors and media

Annual General Meeting

Tuesday, 16 June 2015, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

Dividend Payment

as of 17 June 2015 (subject to approval by the Annual General Meeting)

Interim Report 2nd Quarter 2015 (30 June)

Friday, 7 August 2015

Conference call with analysts, investors and media

Interim Report 3rd Quarter 2015 (30 September)

Wednesday, 11 November 2015

Conference call with analysts, investors and media

See www.bechtle.com/events-en or www.bechtle.com/financial-calendar for further dates and changes.

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