

3-months Report 2003



www.bechtle.com

Product procurement

Consulting

Integration

IT-Services

Outsourcing



Key figures of the Bechtle Group in the three-months 2003 (2002) according to U.S. GAAP

		1 January 2003 31 March 2003	1 January 2002 31 March 2002	Change in %
Consolidated profit and loss account				
Revenues	TEuro	172,882	166,830	3.6
EBITDA	TEuro	5,441	3,568	52.5
EBITA (before established clientele amortization)	TEuro	3,914	1,653	136.8
EBITA	TEuro	3,777	1,521	148.3
EBIT	TEuro	3,777	1,521	148.3
EBT	TEuro	3,844	1,692	127.2
Net result for the period	TEuro	2,566	1,124	128.3
Business operating figures				
Earnings per share	Euro	0.1307	0,0556	134.9
Cash flow from operating activities per share	Euro	0.3768	-0,0892	522.6
Number of employees as at 31.03. *)		2,250	2,329	-3.4
Financial position and liquidity				
Cash flow from operating activities	TEuro	7,395	-1,801	510.6
Net liquidity	TEuro	16,892	22,616	-25.3

* including trainees

Review by quarter 2003

	2003				2003
	1st quarter 1 January to 31 March 2003 TEuro	2nd quarter 1 April to 30 June 2003 TEuro	3rd quarter 1 July to 30 Sept. 2003 TEuro	4th quarter 1 October to 31 Dec. 2003 TEuro	Financial Year 1 January to 31 Dec. 2003 TEuro
Revenues	172,882				172,882
EBITDA	5,441				5,441
Depreciation	1,527				1,527
EBITA (before established clientele amortization)	3,914				3,914
Established clientele amortization	137				137
EBITA	3,777				3,777
Goodwill amortization	0				0
EBIT	3,777				3,777
Financial result	67				67
EBT	3,844				3,844
Income tax	1,278				1,278
Minority interest	0				0
Net income for period	2,566				2,566

Segment disclosures

System integration		1 Jan. 2003 to 31 March 2003	1 Jan. 2002 to 31 March 2002	Change in %
Profit and loss account				
Revenues	TEuro	127.664	122.819	3,9
EBITDA	TEuro	2.841	1.979	43,6
EBIT	TEuro	1.377	131	951,1
Number of employees as at 31.03.		2.020	2.077	-2,7

eCommerce		1 Jan. 2003 to 31 March 2003	1 Jan. 2002 to 31 March 2002	Change in %
Profit and loss account				
Revenues	TEuro	45.218	44.011	2,7
EBITDA	TEuro	2.600	1.589	63,6
EBIT	TEuro	2.400	1.390	72,7
Number of employees as at 31.03.		230	252	-8,7

The share

Opening price on 02.01.2003 (Xetra)	Euro	6,60
Closing price on 31.03.2003 (Xetra)	Euro	6,70
Share price performance compared to Nemax 50 as at 31.03.2003 (Xetra)		+15
Quarter high at 21.03.2003 (Xetra)	Euro	6,94
Quarter low at 12.03.2003 (Xetra)	Euro	6,25
Freefloat (31.03.2003)	%	46
Market capitalization (Freefloat) as at 31.03.2003	Mio. Euro	62,3
Market capitalization (total) as at 31.03.2003	Mio. Euro	134,7
Number of shares (entitled to full dividend payout) as at 31.03.2003		19.626.012
Segment	Prime Standard	
Security identification code		515 870
ISIN	DE 000 515 870 3	
Date of listing		30.03.2000

Content

Key-figures of the Bechtle Group	2
Christmas in Würzburg	4
General part	5
Consolidated Profit and Loss Account in accordance with U.S. GAAP from 1 January to 31 March 2003	9
Consolidated Balance Sheet as at 31 March 2003 in accordance with U.S. GAAP	10
Consolidated Cash Flow Statement to the Interim Accounts in accordance with U.S. GAAP from 1 January to 31 March 2003	11
Statement of changes in Shareholder's equity from 1 January to 31 March 2003	12
Notes to the Consolidated Financial Statement (U.S. GAAP) for the period 1 January to 31 March 2003	13



The Bechtle system house in Würzburg / Höchberg and the managing director Rainer Pecher.

Christmas in Würzburg

It was 24th December 1992: in the early hours of the morning, six highly qualified IT experts meet at Eisinger Erbachshof; few words are exchanged, there's simply no time to waste. Tools are quickly taken out of bags and then the IT people get down to work, laying - carpets.

Some time earlier: late autumn, one of Bechtle's key competitors at that time in Würzburg had filed for bankruptcy. There is a vacuum in the market more or less on Bechtle Heilbronn's doorstep, and the question is raised as to who will fill the gap.

Within a very short space of time, Bechtle decides it does not want a competitor outside its front door and grabs the opportunity. From the ailing competitor, a core team of six IT professionals transfers to the ranks of the Swabians and, over Christmas, the IT experts simply roll up their sleeves and get on with the job of laying the carpets and painting the walls of their new offices at Eisinger Erbachshof themselves.

The capital of Lower Franconia thus marked the Bechtle Group's breakthrough into an age of supra-regional growth. Around 30 more acquisitions and locations follow in the course of the next ten years. Bechtle now has over 40 company locations in Germany.

In Würzburg, Bechtle has a company in the group with 35 experts, include 17 IT service providers, not only for all the standard system house services, but also for the Mobile Computing Competence Center, which makes its expertise available to the colleagues at the other locations throughout Germany. In a modern new building in Höchberg, the market leader currently serves virtually all the key corporate customers in the region's IT market.

Bechtle GmbH IT-system house

Max-Planck-Straße 15
97204 Würzburg / Höchberg
Phone: +49 (0)931/ 4976-0
Fax: +49 (0)931/ 4976-100
email: wuerzburg@bechtle.com

Bechtle's pre-tax earnings more than doubled

In the first quarter of the current business year, Bechtle has once again achieved its declared goal of constantly delivering a significant increase in the company's profitability: pre-tax earnings (EBT) at 3.8 million euros has been more than doubled. Compared with last year at 1.7 million euros, it was up 124 percent. Bechtle thus has made a seamless transition from its excellent performance of last year, in which a 32 percent increase in EBT overall was achieved.

The focus on long-term earnings growth can be seen quite clearly by comparing with the sales figure. Bechtle generated four percent growth in the first quarter of 2003, with earnings increasing to 173 million euros (previous year 167 million euros). This kind of growth, considering what is currently a very weak market and economic environment, is substantial, but is significantly bettered by the very sizeable increase in earnings. This is the result not only of acquisitions, but also includes organic growth from the company's own excellent performance.

Sales and earnings performance once again highlight the fact that Bechtle is running free of the IT market and has continued to perform well despite a declining trend in this difficult environment. The prediction that the shakeout will continue and that Bechtle will be one of the winners in this process of

consolidation is supported by the overall positive performance.

The German and the international IT markets are still under the influence of a pronounced reluctance to invest. The sector is still going through a period of stagnation in what is now the third successive year. Current market research indicate a decline in corporate PC sales of 2.2 percent in the first quarter of 2003. Manufacturers and distributors alike report sharp decreases in sales in some cases of up to 50 percent in individual areas. The serious problems that many competitors are experiencing in the region as a whole are not going away, so that all the signs would now seem to suggest that, in view of its strong capital base, there will be room for Bechtle to compete and succeed in making profitable acquisitions.

The eCommerce segment reported an increase in sales in the period under review of 2.7 percent to 45.2 million euros (previous year 44.0 million euros) and thus accounted for at least one quarter of total sales. The sales increase was achieved entirely through organic growth. The EBIT grew to 2.4 million euros.

The System Integration segment at 127.7 million euros generated 4.0 percent more sales than in the previous year (122.8 million euros). This rise was the result of acquisitions. The EBIT grew to 1.4 million euros.

Special events

One of the biggest acquisitions on the German IT market was announced by Bechtle on 25th march: Bechtle AG acquired a shareholding of around 60 percent in the PSB AG für Programmierung und Systemberatung, Ober-Mörlen, which is also quoted on the stock exchange (ISIN DE0006967607). To finance this acquisition, Bechtle sold 698,149 of its own shares on the stock market. It was possible to offer shares for sale on the Frankfurt Stock Exchange immediately after the PSB shares had been purchased on the morning of the announcement. There were no factors that negatively affected the share price.

At the end of March, Bechtle acquired the Mannheim-based MVis informationssysteme

GmbH, which will strengthen its position with SMBs in the Rhein-Neckar region.

As a result of the new segmentation of the share indexes by Deutsche Börse AG, Bechtle AG has been admitted to the Nemax 50. As earlier, the share has remained fairly stable despite the general downward trend on the stock markets.

Bechtle was certified as a Gold Partner at the beginning of February by Cisco, the US-based global market leader in network technology. In Germany, 16 IT enterprises have achieved this top global status, which Cisco awards on the basis of very tough criteria and examination.

Since the end of March, Bechtle has been an Enterprise Partner of Xerox and is thus one of the six most important sales partners of Xerox in Germany.

In March, the German IT trade magazine „Computerpartner“ published its yearly ranking of the top 25 IT system houses in Germany. As in the previous year, Bechtle was ranked number two, with PSB AG, in which Bechtle has a majority shareholding, number ten.

Events after the period under review

Bechtle published on 19th April the offer documents for a compulsory offer to acquire the shares in PSB AG, Ober-Mörlen. The offer, which was prepared in accordance with the provisions of the German Securities Acquisition and Takeover Act (WpÜG), is intended to increase the majority shareholding even further.

Dr. Rainer Eggensperger left Bechtle AG by mutual agreement on 30th April to pursue other business interests.

Acquisition of majority shareholding in PSB AG



Friendly takeover

The acquisition of a majority shareholding in PSB at the end of March is a friendly takeover: the Management Board and the Supervisory Board of PSB welcomed the transaction.

20.75 per cent premium

Bechtle has made an offer to the other shareholders to acquire their shares in PSB at a purchase price of 6.40 euros per share in cash – this represents a premium of 20.75 percent on the Xetra price of the PSB share at the end of the day's trading on 21st March 2003.

A sound company

With sales of 150 million euros, PSB last year had an EBIT of around three million euros with 488 employees. Equity capital is approximately 16 million euros.

An acquisition that makes sense

There were several reasons for acquiring a majority shareholding in PSB: PSB completes Bechtle's aim of providing full coverage in Germany. Bechtle is now present with its own business locations in virtually all the key economic regions in Germany.

Both companies complement each other in terms of their business focus: PSB appeals basically to the same target group as Bechtle and also has an extensive customer support network.

In the view of the Bechtle senior management, the fact that PSB and Bechtle have a similar corporate culture is ideal: both companies organize their subsidiaries on a decentralized basis with managing directors who are responsible for their own performance.

Bechtle has identified considerable synergy potential between PSB and the centralized Bechtle functions such as logistics & support, product management, catalogue and cost control.

Bechtle on the capital market: better than all the indexes

Small is beautiful – faithfully pursuing this principle has resulted in the Bechtle share persistently beating all the key share indexes from one quarter to the next. On 2nd January at the start of 2003, the Bechtle share opened for trading on Xetra at 6.60 euros. In the period under review, it peaked on 21st March at 6.94 euros, following its lowest level just seven days of trading before on 12th March at 6.25 euros. On the last day of trading in the first quarter, i.e. on 31st March, the Bechtle share had a closing price on Xetra of 6.70 euros.

This means that the Bechtle share showed an overall increase of 1.5 percent, whereas the majority of the stock markets in the first quarter had bottomed out. The DAX dropped on 12th March to 2,188.75 points and was thus at its lowest level since 1995. The Nemax 50 lost 7.85 percent in the first quarter of this year, and the other leading benchmark indexes in Europe had also reached new lows.

Nevertheless, in view of the company's positive performance and the high profitability level, the performance of the share can still not be regarded as satisfactory. Due to the high percentage of private investors, it was certainly much more stable than the many other shares on the market; at the same time, however, the trading volume compared with other shares was noticeably lower, which meant that we were unable to gain admittance to the new TecDax in February or in March.

As the figures for the period under review show, the Bechtle share fought, as did many other Small to MidCap shares with a declining interest on the part of the institutional investors. The main reason for this was in the closure of numerous investment funds: in 2002 in Germany, 205 funds were taken off the market and were followed by a further 78 in the first quarter of 2003.



The Bechtle GmbH in Würzburg with employees.

Sound financial and assets position

The inclusion of PSB AG and MVis GmbH into the consolidated accounts as at 31 March 2003 led to a reduction of the equity ratio from 66.5 percent to 60.8 percent. Without the inclusion of PSB AG and MVis GmbH, the equity ratio would have been 68.5 percent. In spite of the acquisition of a 60.18 percent share in PSB AG, involving costs of acquisition amounting to 13.9 million euros, the Bechtle Group indicated in its balance sheet as at 31 March 2003 a net cash position amounting to 16.9 million euros, as compared to 22.6 million euros as at 31 December 2002. This is attributable to the large increase in cash flow from operations amounting to 7.4 million euros compared to the reference period (-1.8 million euros).



Employees of Würzburg at their work.

Outlook

The overall performance of the economy this year does not suggest there will be a significant improvement in the economy as a whole. On the IT market as well, a short-term and above all a sustainable recovery of the market is still not in sight.

According to a study carried out by Cisco, the sales situation at the end of the first quarter for small to medium businesses, a market where Bechtle has the leading position in Germany, has eased. In this market segment, the study claimed, IT investments in the medium term could increase again very slightly. No concrete expectations can be concluded from this, however.

Following good performance in the first quarter, the current second quarter has to be judged with some reservation, since it will be

affected by a large number of public holidays, often allowing people to take an extra day off at the end of the week. From experience, it is not only the loss of sales on the public holidays that has a negative effect on business, but the extra days off tend to further extend the decision process and frequently put it on a very slow burner.

Without the availability of stable economic data and plans, a viable forecast of Bechtle's performance is hardly possible, so that Bechtle will not be publishing any predictions with regard to sales and earnings.

Basically, quite apart from achieving growth in sales through acquisitions, Bechtle continues to pursue organic growth. Major acquisitions will not be considered for the next six months.

Long-term earnings power, dependable continuity for dividends

Freed from a short-term analysis of the quarter, the focus is on securing Bechtle AG's long-term earnings power, sales and earnings and, even excluding the recently acquired sales and earnings of PSB AG, to ensure they

remain at least at the level of the previous year: the prime goal now is to demonstrate a level of continuity in terms of the company's dividend policy that can be depended on.

Consolidated Profit and Loss Account in accordance with U.S. GAAP from 1 January to 31 March 2003 (2002) *)

		1 January to 31 March 2003	1 January to 31 March 2002
	Notes	TEuro	TEuro
Revenues		172,882	166,830
Cost of revenues		149,466	146,790
Gross profit / loss		23,416	20,040
Selling and marketing expenses		9,800	10,456
General and administrative expenses		10,858	8,805
Other operating income	(11)	1,019	742
Operating income / loss		3,777	1,521
Interest income and expenses	(12)	67	168
Other financial result		0	3
Result before income taxes (and minority interest)		3,844	1,692
Income tax	(13)	1,278	568
Result before minority interest		2,566	1,124
Minority interest		0	0
Net income / loss		2,566	1,124
Net income per share (basic) Euro		0.1307	0.0556
Net income per share (diluted) Euro		0.1307	0.0556
Weighted average shares outstanding (basic) **)		19,626	20,200
Weighted average shares outstanding (diluted) **)		19,626	20,200

*) without PSB AG für Programmierung und Systemberatung (PSB AG) as well as MVis informationssysteme GmbH (MVis GmbH), date of first-time consolidation March 31, 2003.

**) the buy-back of own shares of 698,149, which were resold March 25, 2003 in association with the acquisition of the PSB AG, results in a reduction of the weighted average shares outstanding.

Consolidated Balance Sheet as at 31 March 2003 (2002)
in accordance with U.S. GAAP (unaudited) *)

		31 March 2003	31 December 2002
Assets	Notes	TEuro	TEuro
Current assets			
Cash and cash equivalents		16,932	37,867
Short-term investments / marketable securities	(1)	17,447	0
Trade accounts receivable, net	(2)	104,550	95,332
Inventories	(3)	31,266	24,396
Deferred tax assets	(13)	5,084	3,860
Prepaid expenses and other current assets	(4)	8,972	8,432
Total current assets		184,251	169,887
Non current assets			
Tangible assets, net		14,279	9,472
Intangible assets, net	(5)	12,043	8,359
Goodwill, net	(6)	67,495	58,866
Deferred taxes	(13)	1,240	171
Total non current assets		95,057	76,868
Total assets		279,308	246,755
Liabilities and shareholders' equity	Notes	TEuro	TEuro
Current liabilities			
Short-term debt and current portion of long-term debt		8,975	3,911
Trade accounts payable		42,383	31,911
Advance payments received		744	5,408
Accrued expenses	(7)	22,875	13,395
Income tax payable		1,824	3,198
Deferred tax liabilities	(13)	2,017	1,071
Other current liabilities	(8)	9,188	10,622
Deferred income		4,899	3,799
Total current liabilities		92,905	73,315
Non current liabilities			
Long-term debt, less current portion	(9)	8,512	8,847
Accrued expenses		148	0
Deferred tax liabilities	(13)	800	380
Total non current liabilities		9,460	9,227
Minority interest		7,002	0
Shareholders' equity	(10)		
Share Capital		20,200	20,200
20,200,000 shares issued with par value of 1.00 euro			
Additional paid-in capital		134,586	134,554
Treasury Stock		0	-3,327
Retained Earnings / Accumulated deficit		15,252	12,754
Accumulated other comprehensive income / loss		-126	32
Total shareholders' equity		169,912	164,213
Difference on liabilities side		29	0
Total liabilities and shareholders' equity		279,308	246,755

*) inclusively PSB AG and MVis GmbH, date of first-time consolidation March 31, 2003.

Consolidated Cash Flow Statement to the Interim Accounts
in accordance with U.S. GAAP
from 1 January to 31 March 2003 (2002)

	1 January to 31 March 2003	1 January to 31 March 2002
	TEuro	TEuro
Cash Flow from operating activities:		
Net profit / loss	2,566	1,124
Adjustments for:		
Depreciation and amortization	1,664	2,047
Increase/ decrease in provisions and accruals	8,254	-3,824
Losses / gains on the disposal of fixed assets	-72	-48
Other company-produced additions to assets	0	-88
Increase in deferred taxation on the debit side	1,367	218
Increase in deferred taxation on the asset side	-2,293	-180
Increase in net working capital	-11,154	-990
Personnel costs of granted stock options	32	10
Transfer of differences on the liabilities side	29	0
Others	7,002	-70
Net cash provided by (used in) operating activities	7,395	-1,801
Cash Flow from investing activities:		
Acquisition of subsidiaries, net of cash acquired	-17,394	-10,780
Purchase of property, plant and equipment	-1,408	-3,426
Proceeds from sale of equipment	89	146
Net cash used in investing activities	-18,713	-14,060
Cash Flow from financing activities:		
Purchase of treasury stock	-1,279	0
Sales of treasury stock	4,538	0
Proceeds from short or long-term borrowings	6,671	12,063
Cash repayments of amounts borrowed	-1,942	-315
Net cash provided by financing activities	7,988	11,748
Net effect of currency translation in cash and cash equivalents	-252	-49
Adjustment for derivative instruments	-15	0
Adjustment for available-for-sale securities	109	0
Net decrease in cash and cash equivalents	-3,488	-4,162
Cash and cash equivalents at beginning of period	37,867	41,200
Cash and cash equivalents at end of period	34,379	37,038

Statement of changes in shareholders' equity from 1 January to 31 March 2003 (2002)

	Number of ordinary shares	Subscribed capital issued	Capital reserves	Treasury stock	Retained earnings Cumulative results	Retained earnings Appropriated retained earnings	Accumulated other comprehensive income	Total shareholders' equity	Comprehen- sive Income
		TEuro	TEuro	TEuro	TEuro	TEuro	TEuro	TEuro	TEuro
Shareholders' equity as at 31 December 2001	20,200,000	20,200	134,452	0	5,798	5	146	160,601	9,094
Net Income 31.03.2002					1,124			1,124	1,124
Granted stock options			10					10	1,124
Exchange adjustment *)							-49	-49	-49
Shareholders' equity as at 31 March 2002	20,200,000	20,200	134,462	0	6,922	5	97	161,686	1,075
Shareholders' equity as at 31 December 2002	20,200,000	20,200	134,554	-3,327	6,749	6,005	32	164,213	11,887
Purchase of treasury stock				-1,279				-1,279	
Sales of treasury stock				4,606				4,538	
Net Income 31.03.2003					2,566	-68		2,566	2,566
Granted stock options			32					32	
Exchange adjustment **)							-252	-252	-252
Adjustment for available-for-sale securities							109	109	109
Adjustment for derivative instruments ***)							-15	-15	-15
Shareholders' equity as at 31 March 2003	20,200,000	20,200	134,586	0	9,315	5,937	-126	169,912	2,408

*) Related tax effect: + 6 TEuro

**) Related tax effect: - 97 TEuro

***) Related tax effect: - 4 TEuro

Notes to the Consolidated Financial Statement (U.S. GAAP) for the period 1 January to 31 March 2003

I. Summary of key Accounting, Valuation and Consolidation Principle

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

Consolidated Principles

The same accounting- measurement and calculation methods were applied as for Bechtle's 2002 consolidated financial statement.

Scope of Consolidation

The scope of consolidation includes Bechtle AG, Gaildorf, and its majority owned and controlled subsidiaries. Bechtle AG holds with exception of PSB AG (participation of the majority 60,18 percent) all shares in all consolidated companies, directly or indirectly, through its intermediate holding company Bechtle Beteiligungs-GmbH, in Gaildorf.

The companies listed below were acquired or established during the last three months, and have been included in the scope of consolidation for the first time:

Company	Registered Office	Date of first-time consolidation	Acquisition / Founded
MVis informationssysteme GmbH (MVis GmbH)	Mannheim	31.03.2003	Acquisition
PSB AG für Programmierung und Systemberatung (PSB AG)	Ober-Mörlen	31.03.2003	Acquisition

The balance sheets of MVis GmbH and PSB AG as at 31 March 2003 are included in the consolidated financial statement. Effects resulting of the acquisitions up to the consolidated profit and loss account starting from 01 April 2003.

Revenue Recognition

For software maintenance contracts and warranty extensions, accrued expenses and deferred income amounting to TEuro 4,899 (previous year: TEuro 3,799) was posted to the balance sheet and written back over the average term of the contracts (normally 12 months).

Advertising Expenses

The company generally expenses advertising and sales promotion as incurred. In the period under review, expenses amounting to TEuro 309 (01.01.-31.03.2002: TEuro 319) were accounted for with effect on income.

Short-term investments / marketable securities

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

Tangible Assets

Low-value assets of the fixed assets with an acquisition cost of less than Euro 410 in a total amount of TEuro 51 (01.01.-31.03.2002: TEuro 165) are fully depreciated in the year of acquisition.

Stock Option Programme

The stock option programme is balanced in accordance with SFAS No. 123, „Accounting for Stock-Based Compensation“. The fair value of the granted options is accounted for as personnel expenses on a pro rata basis over the three-year retention period with an offsetting entry in the reserve account.

Treasury Stock

Treasury stock in the amount of the acquisition costs are openly reported as a reduction in equity capital. The number of outstanding, i.e. circulating, shares of the company is reduced according to the amount of treasury stock. The number of issued shares remains unchanged. Accrued losses due to the resale of own shares was set off against the retained earnings.

Currency and Translation of Foreign Currency

The subsidiaries of Bechtle prepare their accounts in the local currency.

Assets and liabilities are translated at the average exchange rate on the balance sheet date. The equity capital is determined on the basis of historic rates. The revenue and expense accounts were translated at the average month-end exchange rates. The currency differences arising from the use of different rates are reported separately under the item 'Other Comprehensive Income' in the equity capital account. Currency conversion differences arising from exchange rates are reported with an effect on income. In the period under review, a total of TEuro 7 (01.01.-31.03.2002: TEuro 6 booked to income) has been booked to expenses.

Preparation of Profit and Loss Account using the Cost-of-Sales Method

The profit and loss account is drawn up according to the cost-of-sales method.

The profit and loss account of MVis GmbH and PSB AG will be included in the consolidated profit and loss account starting from 1 April 2003.

The earnings reported in the previous period under other operating income from catalogue production are allocated to the revenues in the period under review. The previous period's figure was adjusted accordingly (TEuro 1,862).

Corporate Governance

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

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

1. Marketable Securities / Available-for-sale Securities

	31.03.2003 TEuro	previous year TEuro
Purchase costs	17,338	0
Market or fair value	17,447	0
Unrealized gains	109	0
Unrealized losses	0	0

2. Trade Accounts Receivable

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

	31.03.2003 TEuro	previous year TEuro
Trade accounts receivable	90,503	96,519
Valuation adjustments	1,112	1,187
	<u>89,391</u>	<u>95,332</u>
Trade accounts receivable PSB AG	15,159	0
	<u>104,550</u>	<u>95,332</u>

Concentration of credit risks

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

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

3. Inventories

The company's inventory is limited to commercial items.

4. Prepaid Expenses and Other Current Assets

	31.03.2003 TEuro	previous year TEuro
Credit notes outstanding	1,591	1,930
Accounts receivable from leasing companies	1,172	1,059
Bonuses outstanding	1,120	2,311
Deferred tax assets	694	1.248
Accounts receivable from suppliers	634	750
Advertising costs subsidies	367	116
Others	577	643
Other current assets PSB AG	1,928	0
Other current assets	8,083	8,057
Prepaid expenses	506	375
Prepaid expenses PSB AG	383	0
	889	375
Prepaid expenses and other current assets	8,972	8,432

5. Intangible Assets

	31.03.2003 TEuro	previous year TEuro
Established clientele	6,360	4,782
Downpayments made	2,349	1,749
Homegrown software	642	735
Other intangible assets	1,002	1,093
	10,353	8,359
Intangible assets PSB AG	1,690	0
	12,043	8,359

Established clientele	TEuro
Book value (31.03.2003)	6,360
Depreciable life (weighted average)	9.9 years
Cumulative depreciation	751
Expenses for period (01.01.-31.03.2003)	137

Scheduled amortization of established clientele is expected to amount to TEuro 681 in 2003, in 2004 to 2006 TEuro 724 p.a and in 2007 and 2008 TEuro 701.

	31.03.2003 TEuro	previous year TEuro
Homegrown software		
Book value as at 01.01.	735	1,343
Additions	0	340
Depreciation during the period under review	93	948
Book value 31.03. / 31.12.	642	735

6. Goodwill

As at March 31, 2003, Bechtle had recorded goodwill amounting to TEuro 67,495 on the balance sheet. This includes the balance as at December 31, 2002 (TEuro 58,866) as well as newly acquired goodwill (TEuro 8,727) from corporate acquisitions during the first three months and currency conversion differences (TEuro -98).

The fiscally depreciable goodwill from corporate acquisitions amounts to TEuro 27,323.

7. Accrued Expenses

	31.03.2003 TEuro	previous year TEuro
Accrued expenses for		
Vacation payments	1,679	622
Renumeration	1,135	1,074
Commissions	747	1,450
Professional association	735	591
Severely handicapped payments	48	188
Bonuses	41	274
Other personnel expenses	653	411
Personnel	5,038	4,610
Outstanding invoices	8,983	5,450
Restructuring	772	506
Guarantees	659	618
Contributions and insurances	354	301
Legal and consultancy costs	334	486
Other accrued expenses	2,785	1,424
	18,925	13,395
Accrued expenses PSB AG	3,950	0
Current accrued expenses	22,875	13,395
Non-current accrued expenses PSB AG	148	0

8. Other Current Liabilities

	31.03.2003 TEuro	previous year TEuro
Social security payments	2,356	2,258
Turnover tax	1,914	4,959
Income tax on wages/salaries and church tax	1,506	1,414
Unrealized losses from derivative instruments	299	279
Others	1,617	1,712
	7,692	10,622
Other current liabilities PSB AG	1,496	0
	9,188	10,622

9. Long-term Debt, less current portion

	31.03.2003 TEuro	previous year TEuro
Baden-Württembergische Bank		
- debt for acquisition of the System House Division of Eurodis Switzerland AG	8,179	8,267
- debt for financing Bechtle GmbH & Co. KG, Darmstadt	675	781
Sparkasse Schwäbisch Hall - Crailsheim	581	710
Südwestbank AG	86	104
	9,521	9,862
Long-term debt, total		
Current portion	1,016	1,015
	8,505	8,847
Long-term debt, less current portion	7	0
Long-term debt, less current portion PSB AG		
	8,512	8,847

The two **debts payable to the Baden-Württembergische Bank** in the amount of TEuro 8,179, are denominated in Swiss francs and are due to mature on December 30, 2008; they bear a floating interest rate (CHF-LIBOR-6M + 90 basis points). The surety on the debts consists in the obligation that funds generated from the resale of assets acquired from Eurodis AG must be utilised primarily for repayment of these debts.

The risks associated with the floating interest rate on the above two debts will be eliminated by means of two interest swaps. The interest swaps are designated as cash flow hedges and are 100 percent effective in hedging against the interest rate risk. Excepting the reference amounts (totalling TCHF 12,000), both interest swaps have identical terms. Bechtle pays a fixed interest rate of 2.54 percent and receives the CHF-LIBOR-6M as a floating interest rate. The expiration date is fixed at December 30, 2008. The fair market values as at March 31, 2003 amounted to TEuro -299.

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

The **debt payable to the Baden-Württembergische Bank** in the amount of TEuro 675 matures on October 1, 2004 and bears interest of 4.5 percent. The surety on the debt consists in the obligation that securities be treated equally, that accounts receivable and inventories not be charged and that shares of Bechtle GmbH & Co. KG, Darmstadt, not be sold without the consent of Baden-Württembergische Bank.

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

The **two debts payable to Südwestbank AG** mature on January 01, 2004 and October 31, 2004 and bear interest of 4.6 percent and 5.0 percent respectively. Bechtle AG has provided a guaranty on the debts as security.

The company has global **lines of credit** amounting to TEuro 24,883 plus lines of credit by way of bank guaranty in the amount of TEuro 895. At the balance-sheet date credits by way of bank guaranty accounted for TEuro 1,068 of this amount, leaving an unused line of credit of TEuro 24,710.

10. Shareholders' Equity

Share capital

The share capital of the company is divided into 20,200,000 shares of issued and outstanding common stock with a theoretical nominal value of euro 1.00 per share. Each share carries one vote.

The number of emitted shares remained unchanged at 20,200,000 compared with the previous year, however the number of shares outstanding increased (due to the resale of own shares) again to 20,200,000 as at March 31, 2003 (previous year: 19,700,714). The weighted average number of shares outstanding in the first quarter 2003 is 19,626,012 (first quarter 2002: 20,200,000), as determined in accordance with SFAS No. 128.

Capital reserves / stock option programme

As part of the stock option programme of Bechtle AG (BEST Programme No. 1), lot 2002, management and key staff were granted a total of 248,200 stock options in March 2002. If the bearer of the stock options has not achieved certain targets defined for the financial year 2002 during the one-year basic term, his options will expire. Stock options which have not expired may, after two years at the earliest (retention period), be exercised for a period of five years (exercise period) provided that the share price at the exercise date is at least euro 8.96. If the work contract is terminated during the retention period, the subscription rights will expire. If the work contract is terminated during the exercise period, the options must be either exercised or they will expire. Options which have not been exercised on expiration of the programme at the end of the exercise period will also lapse. If options are exercised, the owner receives one share of Bechtle AG per option against a payment of euro 7.79 (exercise price). To enable options to be exercised, the company obtained the authorization of the General Shareholders' Meeting in 2001 to raise contingent capital not exceeding a nominal amount of TEuro 2,000 through the issue of up to 2,000,000 new stocks. The exercise price was defined as the average of the closing prices of the Bechtle AG share in the XETRA trading system during the week from March 11 to 15 2002.

The total expenditure is computed by multiplying the value of the individual options on the granting date by the number of options which are expected to be exercised. The following parameters were included in the financial option evaluation model for determining of the value of the individual options (euro 3.77): share price euro 7.79, exercise price euro 7.79, exchange ratio 1:1, volatility 62 percent, annual dividend disbursement per share Euro 0.25, expected retention period (option life) 5.5 years, riskless interest rate 4.5 percent p.a., minimum exercise price euro 8.96. The number of options which are expected to be exercised (103,266 units) is based on the 248,200 subscription rights, an estimated rate of termination among the bearers of the options of four percent per annum and the number of options which have expired due to failure to meet set operating targets by the end of fiscal 2002. 113,000 share options were outstanding as at 31 March 2003. The remaining time to maturity of the share options was 6.96 years.

Euro 32,443 of the total expenditure of euro 389,313 to be allocated on a pro rata basis over the three-year vesting period were accounted for as personnel costs in the period under review.

The following table summarises the information on the share options in the reporting year:

	Quantity	Exercise price Euro	Fair market value of option of granting date Euro
Outstanding stock options at 01.01.2003	113,000	7.79	3.77
During first quarter 2003			
newly granted stock options	0		
expired stock options	0		
lapsed stock options	0		
Outstanding stock options at 31.03.2003	113,000	7.79	3.77
of which are exercisable	0		

Treasury stock

The General Shareholders' Meeting of June 10, 2002 authorized the Executive Board to acquire, with the approval of the Supervisory Board, own shares of the company in accordance with Article 71, section 1 (8) of the German Stock Corporation Act during the period up to December 1, 2003. This authorization may be exercised on one or more occasions, and in whole or in partial amounts. The Executive Board is entitled to purchase, in total, own shares representing up to ten percent of the capital stock.

The company may acquire its own shares either through the stock exchange or by means of a public offering. The price paid by the company per share may not exceed ten percent above or below the average spot price of the share in the Xetra trading system during the last five days prior to the share purchase date or, in the case of a public offering, prior to public announcement of the purchase offer.

The General Shareholders' Meeting authorized the Executive Board to utilise acquired shares of the company exclusively as an acquisition currency and for the purposes of changing the company's capital structure, acquisition of shares and introducing shares in the company to foreign stock exchanges on which they have not previously been listed. The Executive Board was also authorized to acquire own shares with the approval of the Supervisory Board, but without the need for a further resolution the General Shareholders' Meeting. As a rule, own shares must be resold either through the stock exchange or by means of a public offering.

In the 1st quarter 2003, a further 198,863 own shares were acquired at an average purchase price per share of euro 6.43. Together with the own shares already held at 31 December 2002 (499,286 units, average purchase price per share: euro 6.66), the company had in the interim a stock of own shares amounting to 698,149 (the expenses of acquisition were euro 4,606 and the average purchase price per share was euro 6.60). To partly finance the acquisition of a controlling interest in PSB AG, this stock of own shares was resold on 25 March 2003. The average sale price per share of euro 6.50 resulted in revenues of TEuro 4,538. The associated loss amounting to TEuro 68 was set off against the retained earnings. All purchases and sales were effected through the stock exchange.

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

11. Other Operating Income

The other operating income in the amount of TEuro 1,019 (01.01.-31.03.2002: TEuro 742) mainly relates to income from marketing subsidies, retransfer of accruals, valuation adjustments and disposal of assets from fixed assets.

12. Interest Income and Expenses

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Other interest and similar income	175	252
Interest and similar expenses	108	84
	67	168

13. Income tax

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

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

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Current tax expenses	1,466	530
Deferred taxes	-188	38
Tax expenses	1,278	568

The balance for the period under review between actual tax expenses and earnings before income tax subject to a tax rate of approximately 38 percent including corporation tax, solidarity surcharge and trade tax is as follows:

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Earnings before taxes on income	3,844	1,692
Expected tax expenses	1,461	648
Non tax-deductible amortization of goodwill	53	51
Only tax-deductible goodwill amortization	-271	-168
Others	35	37
Actual tax expenses	1,278	568

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

	31.03.2003 TEuro	previous year TEuro
Deferred tax assets		
Tax losses carryforward	3,794	4,205
Accrued expenses	214	232
Established clientele foreign	62	60
Interest swap	88	84
	4,158	4,581
Depreciation of deferred tax assets	0	550
Deferred tax assets	4,158	4,031
Current deferred tax assets	3,943	3,860
Current deferred tax assets PSB AG	1,141	0
	5,084	3,860
Non-current deferred tax assets	215	171
Non-current deferred tax assets PSB AG	1,025	0
	1,240	171

	31.03.2003 TEuro	previous year TEuro
Deferred tax liabilities		
Established clientele	1,084	428
Goodwill	648	649
Capitalized software	247	292
Others	79	82
Deferred tax liabilities	2,058	1,451
Current deferred tax liabilities	1,694	1,071
Current deferred tax liabilities PSB AG	323	0
	2,017	1,071
Non-current deferred tax liabilities	364	380
Non-current deferred tax liabilities PSB AG	436	0
	800	380

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

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

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

The tax loss carryforwards in the total amount of TEuro 10,664 at March 31, 2003 for which the deferred tax assets were established relate to domestic and foreign subsidiaries. Start-up losses of foreign companies account for TEuro 2,176 (previous year: TEuro 2,561). The tax loss carryforwards are unlimited in time according to the national tax laws currently in effect, with the exception of Spain. There are loss carryforwards in the spanish subsidiary amounting to TEuro 397. Such losses can be carried forward for a maximum period of 15 years.

III. Acquisition of New Companies

MVis informationssysteme GmbH, Mannheim

MVis informationssysteme GmbH was acquired on 24 March 2003 against payment of TEuro 900 plus expenses of acquisition amounting to TEuro 3 in cash. The consolidation of investments according to the purchase method resulted in a difference amounting to TEuro 951 after taking into account acquired assets and liabilities on the basis of provisional calculations. According to SFAS 141, acquired goodwill (TEuro 475) to be amortized over a period of ten years accounts for half of this amount. The remaining difference amounting to TEuro 476 could not be allocated to a balance-sheet asset or accounted for as a separate asset, and therefore was recorded as goodwill. In the course of the capitalization of goodwill, deferred tax liabilities amounting to TEuro 182 were formed, resulting in an increase in the amount of goodwill. These liabilities will be retransferred parallel to scheduled amortization of goodwill over the estimated useful life.

The acquired company MVis informationssysteme GmbH (three employees) is a long-standing IBM Business Partner. MVis is mainly active as a systems integrator in the support and development of operational information processing systems, particularly in the field of iSeries 400, AS/400, RS 6000, and therefore complements the system house segment of the Bechtle Group.

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

	TEuro
Current assets	
Inventories	316
Accounts receivable	1,117
Other current assets	436
	1,869
Non-current assets	
Tangible assets	38
Established clientele	475
Goodwill	658
	1,171
Total assets	3,040
Current liabilities	
Trade accounts payable	1,434
Deferred tax liabilities	182
Other current liabilities	521
	2,137
Non-current liabilities	0
Total liabilities	2,137
Total assets - Total liabilities =	903

PSB AG für Programmierung und Systemberatung, Ober-Mörlen (PSB AG)

On 25 March 2003, Bechtle acquired 60.18 percent of the shares of PSB AG, thus gaining direct control over PSB AG. The purchase price for this controlling interest was TEuro 13,919 (euro 6.40 per share) plus anticipated expenses of acquisition amounting to TEuro 921. Bechtle also intends to acquire the remaining shares in PSB AG against payment of euro 6.40 by making a mandatory bid under the Securities Acquisition and Takeover Act.

With the purchase price being TEuro 14,840, the consolidation of investments according to the purchase method resulted in a difference of TEuro 4,260 after taking into account pro rata net assets amounting to TEuro 10,580. According to provisional calculations, 30 percent of this difference (TEuro 1,278) were allocated to the acquired goodwill, which will be amortized over a period of ten years. The remaining difference amounting to TEuro 2,982 could not be allocated to a balance-sheet asset or accounted for as a separate asset, and therefore was recorded as goodwill. In the course of the capitalization of goodwill, deferred tax liabilities amounting to TEuro 491 were formed, resulting in an increase in the amount of goodwill. These liabilities will be retransferred parallel to scheduled amortization of goodwill over the estimated useful life.

The key figures of the acquired controlling interest with effect from 01 April 2003 will be taken into account in the consolidated profit and loss.

Der PSB Group (460 employees) is one of the largest manufacturer-independent system houses in Germany and, with ten locations (Hamburg, Essen, Frankfurt, Dreieich, Hanau, Idstein, Langenselbold, Stuttgart, Konstanz, Ober-Mörlen) as well as a wide area service network, it significantly expands the system integration segment of the Bechtle Group.

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

	TEuro
Current assets	
Inventories	4,608
Accounts receivable	9,123
Deferred tax assets	687
Other current assets	1,737
	16,155
Non-current assets	
Tangible assets	3,121
Established clientele	1,278
Goodwill	6,239
Other non-current assets	1,017
Deferred tax assets	616
	12,271
Total assets	28,426
Current liabilities	
Debt	4,010
Trade accounts payable	4,618
Deferred tax liabilities	685
Other current liabilities	3,899
	13,212
Non-current liabilities	
Deferred tax liabilities	263
Other non-current liabilities	93
	356
Total liabilities	13,568
Difference on liabilities side	18
Total assets - Total liabilities - Difference on liabilities side =	14,840

IV. Pro-Forma Information

If the companies and participation on majority acquired during the period under review had been acquired at the beginning of the financial year 2002, the key balance-sheet data would have been as follows:

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Revenues	207,922	205,127
Net income	2,991	1,354
Earnings per share	0.1524	0.0670

V. Contingencies and Commitments

Other Financial Liabilities

The company have several non-cancellable rental agreements for office and storage space. The company also rents buildings, vehicles and various services under operating leases which are non-cancellable during the basic term of the lease. Total payments under all operating rents amounting to TEuro 2,691 (01.01.-31.03.2002: TEuro 2,277) were accounted for as expenses.

The future liabilities with respect to the foregoing agreements with an initial or remaining term of more than one year as at March 31, 2003 amount to TEuro 83,267 (TEuro 80,506).

Litigation

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

VI. Additional Notes to the Cash Flow Statement

Cash Flow from Operating Activities

The cash inflow from operating activities during the period under review amounted to TEuro 7,399 (01.01.-31.03.2002: TEuro 1,811 outflow). This was principally attributable to the acquisitions of new companies.

Cash Flow from Investment Activities

The cash outflow from investment activities amounted to TEuro 18,713 and mainly attributable to the acquisition of MVis GmbH and PSB AG amounting in total to TEuro 17,394.

Cash Flow from Financing Activities

The cash inflow from financing activities of TEuro 7,988 is mainly the result of the sales of treasury stock and the acquisition of new companies.

Cash and Cash Equivalents

	31.03.2003 TEuro	previous year TEuro
Liquid Funds	15,968	37,867
Securities	17,447	0
	33,415	37,867
Cash and cash equivalents MVis GmbH und PSB AG	964	0
	37,379	37,867

Cash Outflow in the Period

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Interest	108	84
Income tax	1,935	2,523

VII. Related Parties

Transactions with Related Parties

In the first three months, there was no significant turnover from transactions with shareholders, executive employees or companies controlled by such persons.

Rental agreements on various properties exist between consolidated companies and managing board members, directors, their close relatives and companies controlled by these persons. In the period under review, rental expenses amounting to TEuro 33 (01.01.-31.03.2002: TEuro 56) were treated as revenue expenditure.

VIII. Segment Disclosures

In Germany, the Bechtle Group has offices in Aachen, Berlin, Chemnitz, Cologne, Cottbus, Darmstadt, Dreieich, Dresden, Düsseldorf, Essen, Frankfurt, Freiburg, Friedrichshafen, Gaildorf, Gera, Großostheim, Hamburg, Hanau, Hanover, Heilbronn, Höchberg, Idstein, Ingolstadt, Karlsruhe, Kassel, Kiel, Konstanz, Krefeld, Langenselbold, Langenzenn, Magdeburg, Mannheim, Mainhausen, Mainz, Münster, Munich, Oberhausen, Ober-Mörlen, Regensburg, Rottenburg, Schorndorf, Schkeuditz, Schwaig, Schwarzheide, Solingen, Stuttgart, Sulz, Villingen-Schwenningen and Weimar.

Internationally, the group has offices in Bolzano (Italy), Linz (Austria), Son (Netherlands), Chippenham (United Kingdom), in Gland, Fehraltorf, Basle and Regensdorf (Switzerland), Strasbourg (France), Turnhout (Belgium), Madrid and in Barcelona (Spain).

Central administration of the group companies is in Gaildorf.

There are no major inter-segment transactions.

External revenues by segment	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
System integration	127,664	122,819
eCommerce	45,218	44,011
Company total	172,882	166,830
Depreciation and amortization by segment	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
System integration	1,360	1,729
eCommerce	304	318
Company total	1,664	2,047
Operating income by segment	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
System integration	1,377	131
eCommerce	2,400	1,390
Total operating income	3,777	1,521
Financial result	67	171
Earnings before taxes	3,844	1,692
Gross assets by segment	31.03.2003 TEuro	previous year TEuro
System integration	229,281	196,814
eCommerce	50,027	49,941
Assets total	279,308	246,755

Goodwill by segment	31.03.2003 TEuro	previous year TEuro
System integration	58,416	49,787
eCommerce	9,079	9,079
Company total	67,495	58,866

Long-lived assets *) by segment	31.03.2003 TEuro	previous year TEuro
System integration	23,825	15,146
eCommerce	2,497	2,685
Company total	26,322	17,831

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

Geographical Information

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

External revenues by region	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro
Domestic	130,216	136,583
Foreign	42,666	30,247
Company total	172,882	166,830

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

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

Long-lived assets *) by region	31.03.2003 TEuro	previous year TEuro
Domestic	21,484	12,752
Foreign	4,838	5,079
Company total	26,322	17,831

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

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

IX. Earnings Per Share

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

	01.01.- 31.03.2003 TEuro	01.01.- 31.03.2002 TEuro (excepting number and amount of shares)
Net income / net profit for ordinary stockholders	2,566	1,124
Average number of shares	19,626,012	20,200,000
Basic and diluted earnings per share	0.1307	0.0556

The 113,000 stock options still outstanding as at the balance-sheet date in the context of the stock option programme can, if exercised at a later date, lead to a dilution of earnings per share.

X. Remuneration of Executive Bodies

Executive Board

The benefits of the Executive Board of Bechtle AG in the period under review totalled TEuro 214. The compensation of the Executive Board consisted of a fixed component and variable component. The fixed and variable benefits amounted to TEuro 139 and TEuro 75 respectively.

Supervisory Board

The benefits of the Supervisory Board of Bechtle AG in the period under review amounted to TEuro 9 (01.01.-31.03.2002: TEuro 9). Performance related compensation of the members of the Supervisory Board was dispensed with.

XI. Significant Differences between U.S. GAAP and German Accounting Principles

Treasury Stock

According to HGB, treasury stock must always be reported on the asset side of the balance sheet, under a separate item, in current assets. In addition, a reserve for treasury stock must be established from the annual profit or loss, the profit carryforward or free reserves in the same amount on the liabilities side. Treasury stock are therefore subject to the strict lowest value principle and are value-adjusted as required; net realized capital losses or gains must be recorded as income.

U.S. GAAP does not allow the capitalization of treasury stock as separate assets. Rather, treasury stock must be reported openly as a reduction in the equity capital in the amount of the acquisition costs. No valuation adjustments are made. Profits from resale of treasury stock are incorporated into the capital reserves without a profit or loss effect. Losses are set off against the capital reserves up to the amount of profits previously accounted for. Losses exceeding this amount are set off against the capital reserves.

Stock Option Programme

Under German law, there are to date no specific rules on the balancing of stock option programme. The granting of stock options on the basis of a certain capital amount as recompense for work performed does not, according to HGB, result in personnel expenses. The capital reserves are not allocated to the personnel expenses in the form of an offsetting entry. According to U.S. GAAP, the issuance of stock options as recompense for work can be booked as personnel expenses amounting to the fair value of the stock options at the time of granting. An offsetting entry is made in the capital reserves. Where stock options constitute a remuneration for several periods, the capital reserves and personnel expenses must be capitalized over the service period.

XII. Executive Bodies

Members of the Executive Board

Gerhard Schick
Chairman and CEO
with responsibility for Finance, Corporate Planning, Public Relations and for the eCommerce segment

Ralf Klenk
with responsibility for the System Houses segment, Logistics & Service, IT and Personnel

Dr. Rainer Eggensperger
with responsibility for the Solutions and Future Tasks Division

Members of the Supervisory Board

Klaus Winkler
Chairman of the Supervisory Board

- Member of the Supervisory Board
of Infoman AG, Stuttgart and
Sick AG, Waldkirch

Kurt Dobitsch
Entrepreneur
Deputy Chairman

- Chairman of the Supervisory Board of United Internet AG, Montabaur as well as Nemetschek AG, Munich
- Member of the Supervisory Board of R+S AG, Denkendorf, of Finex AG, Ebersberg, of 1&1 Internet AG, Karlsruhe, of Adlink AG, Montabaur and of twenty4help knowledge Service AG, Dortmund

Otto Beilharz
Managing Director

- Member of the Supervisory Board of Kellner & Kunz AG, Vienna

Number of Shares of Bechtle AG

10,000 stock options were granted to executive board member Dr. Rainer Eggensperger.

Executive Board	31.03.03	31.12.02
Gerhard Schick	1,226,933	1,226,933
Ralf Klenk	852,462	852,462
Dr. Rainer Eggensperger	5,716	5,716

Supervisory Board	31.03.03	31.12.02
Klaus Winkler	725	650
Kurt Dobitsch	0	0
Otto Beilharz	4,448	4,448

Gaildorf, May 2003

Bechtle AG

The Executive Board

www.bechtle.com

Bechtle AG
Postfach 166
74402 Gaildorf
Germany

Phone: +49 (0) 79 71 /95 02-24
Fax: +49 (0) 79 71 /95 02-11
E-Mail ir@bechtle.com