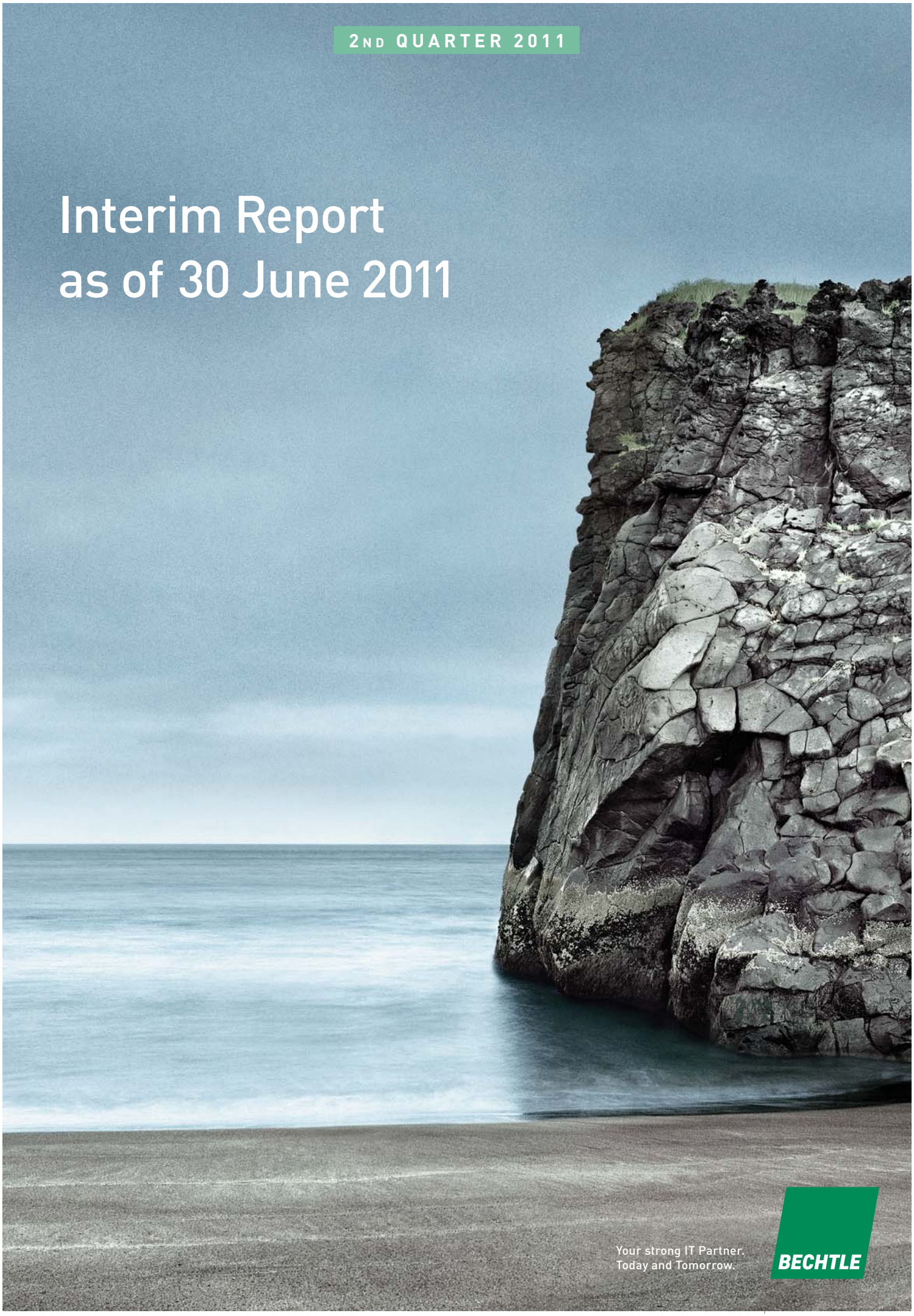
2ND QUARTER 2011

Interim Report as of 30 June 2011



Your strong IT Partner.
Today and Tomorrow.

BECHTLE

KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01–30.06.2011	01.01–30.06.2010	Change in %
Revenue	thou. euros	**913,138**	**729,735**	**25.1**
IT system house & managed services	thou. euros	590,521	471,673	25.2
IT e-commerce	thou. euros	322,617	258,062	25.0
EBITDA	thou. euros	**45,547**	**27,924**	**63.1**
IT system house & managed services	thou. euros	27,439	15,700	74.8
IT e-commerce	thou. euros	18,108	12,224	48.1
EBIT	thou. euros	**37,491**	**20,534**	**82.6**
IT system house & managed services	thou. euros	21,106	10,449	102.0
IT e-commerce	thou. euros	16,385	10,085	62.5
EBIT margin	%	**4.1**	**2.8**	
IT system house & managed services	%	3.6	2.2	
IT e-commerce	%	5.1	3.9	
EBT	thou. euros	38,036	21,265	78.9
EBT margin	%	4.2	2.9	
Earnings after taxes	thou. euros	27,657	15,908	73.9
Earnings per share	euros	1.32	0.76	73.9
Working capital	thou. euros	169,631	152,667	11.1
Return on equity[1]	%	15.8	9.9	
Cash flow from operating activities	thou. euros	9,097	7,556	20.4
Cash flow per share	euros	0.43	0.36	20.4
Number of employees (as of 30.06)		**5,139**	**4,440**	**15.7**
IT system house & managed services		4,036	3,493	15.5
IT e-commerce		1,103	947	16.5

		30.06.2011	31.12.2010	Change in %
Cash and cash equivalents[2]	thou. euros	109,530	129,750	–15.6
Equity ratio	%	59.0	56.8	

[1] Annualised
[2] Incl. time deposits and securities

REVIEW BY QUARTER 2011

		1st quarter 01.01–31.03.	2nd quarter 01.04–30.06.	3rd quarter 01.07–30.09.	4th quarter 01.10–31.12.	2011 FY 01.01–30.06.
Revenue	thou. euros	456,107	457,031			913,138
EBITDA	thou. euros	21,741	23,806			45,547
EBIT	thou. euros	17,847	19,644			37,491
EBT	thou. euros	18,096	19,940			38,036
EBT margin	%	4.0	4.4			4.2
Earnings after taxes	thou. euros	13,175	14,482			27,657

CONSOLIDATED INTERIM MANAGEMENT REPORT

BUSINESS ACTIVITY

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

In the IT system house & managed services segment, the range of goods and services includes the supply of hardware and software, project planning and roll-out, system integration, maintenance and training and complete operation of the customer's IT. In IT e-commerce, the second business segment, Bechtle offers its customers hardware and standard software by way of direct sales via the Internet, catalogue and telesales. Moreover, the Comsoft direct brand has gained a foothold in this segment as a software management and software licensing expert.

BUSINESS ENVIRONMENT

- **Macroeconomic growth persists at high level**
- **Mood indicators level off slightly in second quarter**
- **Declining expectations for the second half of the year**

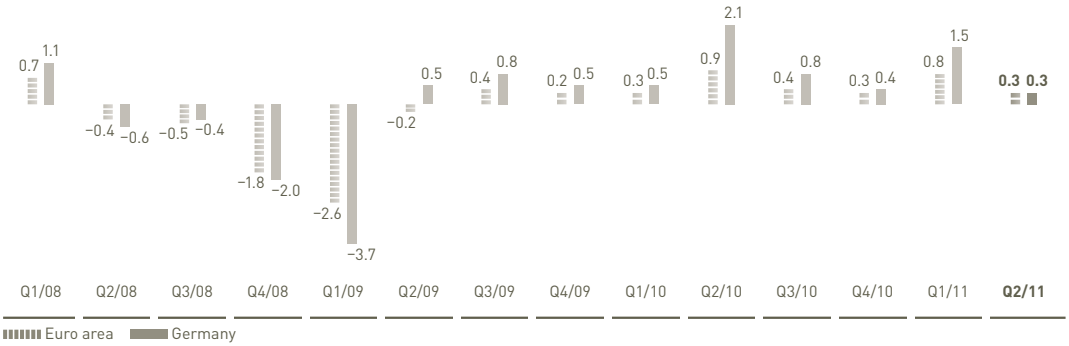
Macroeconomic environment

As expected, the economy in the euro area was unable to maintain the high pace of the prior quarter in the second quarter of 2011. The European Commission estimates that gross domestic product (GDP) increased by 0.3 per cent compared to the prior quarter, compared to a growth of 0.8 per cent in the first quarter of 2011. With growth rates of 0.2 to 0.3 per cent, the larger national economies in the euro area presented a highly homogeneous picture. Outside the euro area, Great Britain and the Czech Republic performed above average, with growth rates of 0.6 and 0.5 per cent, respectively. In Poland, the growth rate even amounted to 0.9 per cent. As in the prior quarter, the growth was mainly driven by the higher exports and the growing domestic demand.

ec.europa.eu

GDP DEVELOPMENT COMPARED TO PRIOR QUARTER

in per cent



Economic growth also slowed down in Germany. With an increase of 0.3 per cent in the second quarter, the German economy lagged considerably behind the first quarter (1.5 per cent), as reported by the European Commission. According to the opinion of the Bundesbank, the main growth driver has shifted from exports to the domestic economy.

www.ifo.de

In the second quarter, the mood indicators for the German economy only dropped slightly below the record values of the first quarter. Though the ifo index fell from 115.0 to 114.1 from March to April, it climbed back to 114.5 by the end of the quarter in June. The value in June was mainly supported by the evaluation of the current situation, whose value of 123.3 in June represents the highest level since the German reunification. In contrast, expectations for the coming six months declined in the second quarter, receding from 109.2 in March to 106.2 in June.

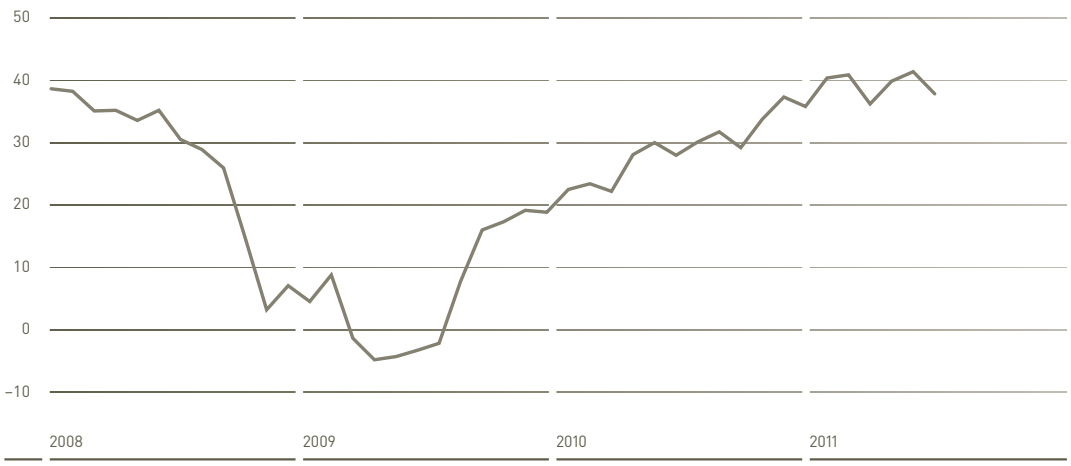
Industry

www.gulp.de

Hardly any detailed, up-to-date market data are available for the IT market. Thus, as of the reporting date, there were no concrete figures for the services and trading sub-segments for Germany, the DACH region (Germany, Austria, Switzerland) or Europe. However, there are figures for sub-segments on the basis of which conclusions can be drawn concerning the overall market. For example, the GULP IT project market index registers how many IT projects are put out to tender to freelance IT experts in Germany. In the second quarter of 2011, the number of registered projects was a remarkable 25.3 per cent higher than in the corresponding prior-year quarter. Compared to the first quarter of 2011, however, project enquiries fell by about 10 per cent, indicating slackening growth dynamics. According to the market researchers of IDC, PC sales in Western Europe also declined in the second quarter. All in all, sales fell by 21 per cent, mainly since consumers favoured tablets or smartphones. At minus 4.3 per cent, the decline reported for the business with enterprise customers was not as severe. According to the figures of the market research institute Gartner, for Europe, the Middle East and Africa, PC sales fell by a total of about 5 per cent. In contrast, an increase in demand for PCs was reported for the enterprise customer segment in the second quarter of 2011.

Although the mood indicators for the German IT industry lost some of their vigour in the course of the second quarter, they remained at a high level. In April, the ifo index for IT service providers climbed from 36.4 to 40.0. Following the all-time high of 41.5 in May, it receded to 38.0 in June. Both the evaluation of the current situation and the expectations for the future receded by 2 points each in the course of the quarter.

IFO INDEX FOR IT SERVICE PROVIDERS



The quarterly BITKOM industry index suffered more severe decline. In the second quarter, it dropped from its all-time high of 72 points to currently 52. Expectations dwindled in all three sub-segments, though to different extents. While the outlook of IT service providers declined at a relatively moderate rate, from 80 to 67 point, the index for software houses and for manufacturers and distributors fell by about 20 points each.

www.bitkom.org

Overall assessment

The growth dynamics in the second quarter has slowed down both in the economy in general and in the IT industry, but remains at a high level. Most market observers continue to see positive signs for the year as a whole, though to a lower extent than at the start of the year.

Against the backdrop of the forecasts for 2011 as a whole for the IT market in Germany and the EU, with growth rates of 3 to 4 per cent, Bechtle AG continued to benefit from the economic dynamics and the positive framework conditions to a greater extent than the market in general, thereby achieving a further significant expansion of its market share.

See Forecast, page 22

EARNINGS POSITION

- Incoming orders hit new record mark
- Earnings improved above average
- Significant EBT margin increase

Order position

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

Due to the current business structure, incoming orders are largely reflected in the revenue during a reporting period. In the first six months of 2011, incoming orders reached a new record level of 960 million euros, about 26 per cent more than in the corresponding prior-year period (763 million euros). The IT system house & managed services segment underwent an increase of about 25 per cent to 630 million euros (prior year: 502 million euros). In the IT e-commerce segment, incoming orders went up by more than 26 per cent to approximately 330 million euros (prior year: 261 million euros).

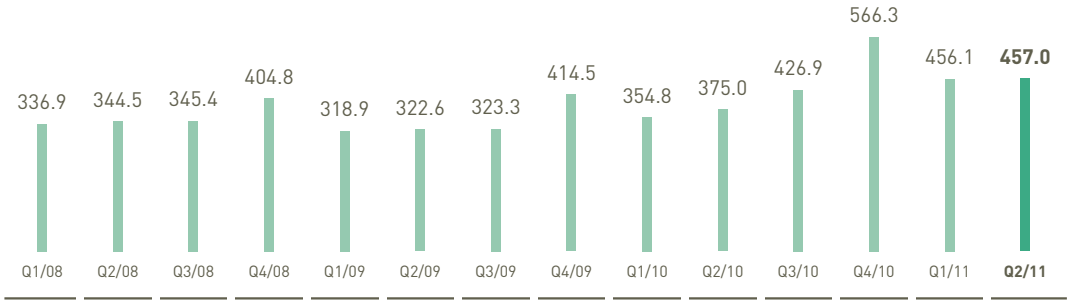
The order backlog as of 30 June 2011 rose to 242 million euros (prior year: 174 million euros), an increase of about 40 per cent compared to the prior-year reporting date. Of this amount, the IT system house & managed services segment accounted for 226 million euros (prior year: 153 million euros), and the IT e-commerce segment for 16 million euros (prior year: 21 million euros).

Revenue performance

The business performance of Bechtle AG in the reporting quarter was marked by a favourable economic setting and continuously sound demand. Thus, the company was able to impressively uphold the dynamics of the prior quarters. Year on year, the revenue generated from April up to and including June 2011 increased by 21.9 per cent to 457.0 million euros (prior year: 375.0 million euros). Both segments contributed to this development with clear two-digit growth rates. In the reporting period, the revenues of the acquired system house companies amounted to 14.0 million euros. The group's organic growth thus amounted to 18.2 per cent in the second quarter. Cumulatively, the revenues in the first six months climbed by 25.1 per cent from 729.7 million to 913.1 million euros.

GROUP REVENUE

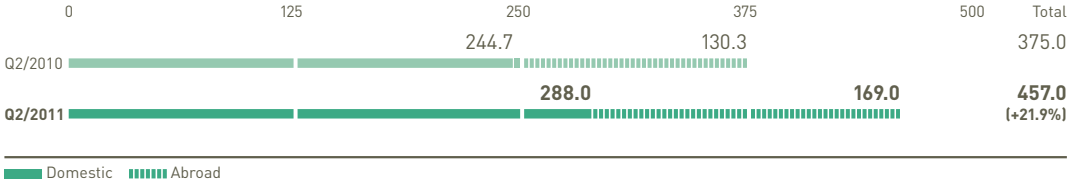
in million euros



In the reporting quarter, Bechtle's revenue in Germany amounted to 288.0 million euros, an increase of 17.7 per cent (prior year: 244.7 million euros). The performance on foreign markets was slightly stronger and to a large extent organic. Here, revenues increased by 29.7 per cent from 130.3 million euros in the prior year to 169.0 million euros. Bechtle again generated most of its revenue (63.0 per cent; prior year: 65.3 per cent) on the domestic market. In the entire first half of the year, revenues in the home market increased by 23.0 per cent from 475.5 million euros to 585.0 million euros. Abroad, the figure amounted to 328.1 million euros, 29.0 per cent above the prior year (254.3 million euros).

REGIONAL REVENUE DISTRIBUTION

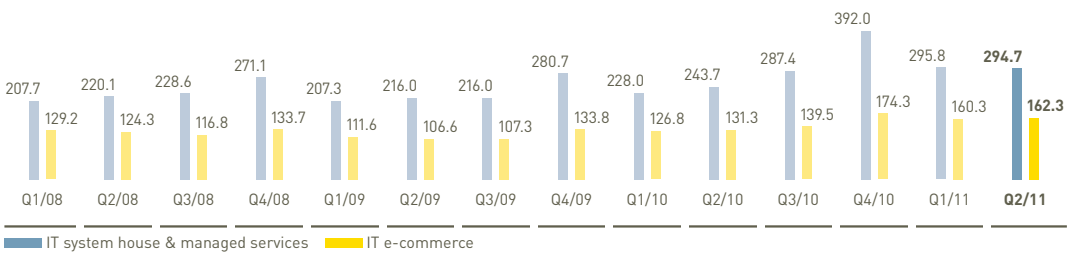
in million euros



In the second quarter, the group generated revenues of 294.7 million euros in the IT system house & managed services segment (prior year: 243.7 million euros), a growth of 20.9 per cent. The contribution of the domestic system houses to the group revenue increased by 17.1 per cent to 241.7 million euros (prior year: 206.4 million euros). On the German market, Bechtle continued to benefit from high demand and an ongoing willingness to invest. Moreover, the previous acquisitions proved to be effective. The revenue of the foreign system houses increased by an above-average rate of 42.2 per cent to 53.1 million euros (prior year: 37.3 million euros). Cumulatively, Bechtle generated revenues of 590.5 million euros in the IT system house & managed services segment, an increase of 25.2 per cent.

REVENUE BY SEGMENTS

in million euros



In the reporting period, the IT e-commerce segment grew by 23.6 per cent. Revenues went up from 131.3 million euros to 162.3 million euros. The stronger demand on the IT market, which had already been evident in the prior quarters, continued in the period under review. Domestic revenues increased by 21.1 per cent from 38.3 million euros to 46.4 million euros, and the European e-commerce companies grew by 24.7 per cent to 115.9 million euros (prior year: 93.0 million euros). In the first half of the year, trading revenues increased from 258.1 million euros to 322.6 million euros, a rise of 25.0 per cent.

REVENUE – GROUP AND SEGMENTS

in thousand euros

	Q2/2011	Q2/2010	Change	H1/2011	H1/2010	Change
Group	**457,031**	**374,977**	**21.9%**	**913,138**	**729,735**	**25.1%**
Domestic	288,038	244,707	17.7%	585,035	475,475	23.0%
Abroad	168,993	130,270	29.7%	328,103	254,260	29.0%
IT system house & managed services	**294,741**	**243,716**	**20.9%**	**590,521**	**471,673**	**25.2%**
Domestic	241,681	206,415	17.1%	489,947	398,548	22.9%
Abroad	53,060	37,301	42.2%	100,574	73,125	37.5%
IT e-commerce	**162,290**	**131,261**	**23.6%**	**322,617**	**258,062**	**25.0%**
Domestic	46,357	38,292	21.1%	95,088	76,927	23.6%
Abroad	115,933	92,969	24.7%	227,529	181,135	25.6%

Based on an average number of 4,674 full-time employees (prior year: 4,041), the revenue per employee increased slightly, reaching 98 thousand euros in the second quarter of 2011, compared to 93 thousand euros in the prior-year quarter. The revenue per employee in the IT system house & managed services segment amounted to 81 thousand euros, based on an average of 3,655 full-time employees (prior year: 77 thousand euros for 3,161 full-time employees). The revenue per employee generated in the IT e-commerce segment in the reporting quarter amounted to 159 thousand euros, based on an average of 1,019 full-time employees (prior year: 149 thousand euros for 880 full-time employees).

Earnings performance

At 20.0 per cent, the increase in cost of sales was lower than the increase in revenue. Thus, its share amounted to 85.1 per cent of the revenue in the second quarter (prior year: 86.5 per cent). Accordingly, the group's gross margin underwent a significant increase from 13.5 per cent to 14.9 per cent, which is mainly attributed to the better capacity utilisation and the intensification of the solution business. From April to June 2011, gross earnings thus improved by 33.8 per cent to 67.9 million euros (prior year: 50.8 million euros). Cumulatively, the cost of sales increased by 23.9 per cent. In the first half of the year, the gross margin thus improved from 13.8 per cent to 14.7 per cent.

GROSS MARGIN

in per cent

In the second quarter, the functional costs of the Bechtle Group underwent an absolute increase. In some instances, however, the cost increase was disproportionately low compared to the revenue increase. To accommodate the growing demand, distribution and marketing activities were further expanded, resulting in a cost increase of 27.9 per cent from 23.4 million euros to 29.9 million euros. Therefore, the distribution cost ratio increased from 6.2 per cent in the prior year to 6.5 per cent in the period under review. Especially due to new recruitment, administrative expenses increased by 18.6 per cent to 22.8 million euros in the reporting quarter (prior year: 19.2 million euros). The share of these expenses in the revenue declined slightly from 5.1 per cent to 5.0 per cent. In the first half of the year, distribution costs went up by 27.2 per cent to 57.8 million euros. At 6.3 per cent, the ratio was more or less the same as in the prior year (6.2 per cent). Administrative expenses increased by 17.8 per cent, i.e. at a lower rate than the revenues, causing the ratio to drop from 5.3 per cent to 5.0 per cent.

Compared to the corresponding prior-year quarter, other operating income increased from 2.5 million euros to 4.4 million euros. This was mainly caused by income from currency translation differences and higher refunds and bonus payments of the manufacturers due to the considerably higher revenue volume. Cumulatively, other operating income amounted to 7.1 million euros, 81.6 per cent more than in the prior year (3.9 million euros).

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) surged by 65.7 per cent from 14.4 million euros to 23.8 million euros. The group's EBITDA margin thus improved from 3.8 per cent to 5.2 per cent. In the first half of the year, the group generated EBITDA of 45.5 million euros, 63.1 per cent more than in the corresponding prior-year period (27.9 million euros).

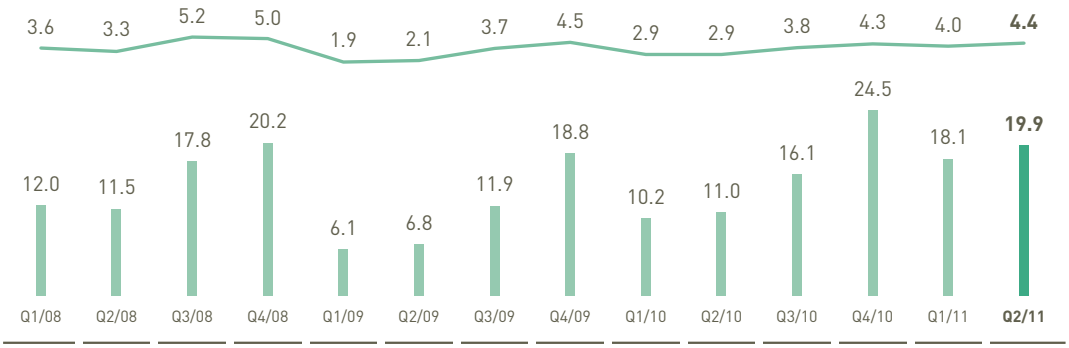
In the reporting quarter, depreciation and amortisation increased at a disproportionately low rate to 4.2 million euros (prior year: 3.7 million euros). While amortisation of other intangible assets and depreciation of property, plant and equipment remained at the same level as in the prior year, amortisation of customer bases and service agreements increased by 1.3 million euros (prior year: 0.8 million euros). Cumulatively, Bechtle AG's depreciation and amortisation amounted to 8.1 million euros, compared to 7.4 million euros in the prior year.

Earnings before interest and taxes (EBIT) climbed during the reporting quarter to 19.6 million euros (prior year: 10.6 million euros). This represents a significant earnings surge of 84.6 per cent compared to the prior year. In the second quarter, the margin thus improved to 4.3 per cent (prior year: 2.8 per cent). In the first half of the year, EBIT increased by 82.6 per cent from 20.5 million euros to 37.5 million euros. Accordingly, the EBIT margin progressed from 2.8 per cent in the prior year to 4.1 per cent in this period.

Following positive financial earnings of 296 thousand euros (prior year: 380 thousand euros), the group's EBT in the period from April to June amounted to 19.9 million euros, 80.9 per cent more than in the prior year (11.0 million euros). The EBT margin underwent a significant improvement from 2.9 per cent to 4.4 per cent. Cumulatively, the group's EBT amounted to 38.0 million euros, an increase of 78.9 per cent over the prior year (21.3 million euros). The EBT margin in the first half of the year was 4.2 per cent (prior year: 2.9 per cent).

EBT AND EBT MARGIN

in million euros and per cent

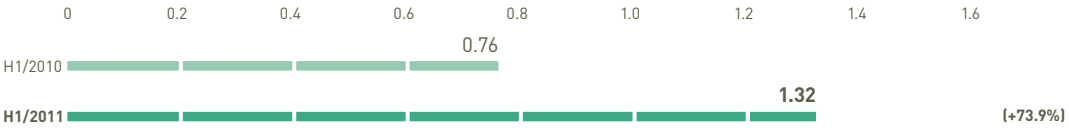


During the quarter under review, income tax expenses increased at an above-average rate of 102.2 per cent to 5.5 million euros (prior year: 2.7 million euros). Accordingly, the tax rate increased from 24.5 per cent in the prior year to 27.4 per cent in the period under review. In the entire six-month period, the tax rate was 27.3 per cent, compared to 25.2 per cent in the prior year. This was mainly due to tax-reducing structural measures that had resulted in a lower tax burden in the prior year.

In the second quarter of 2011, earnings after taxes skyrocketed by 74.0 per cent to 14.5 million euros (prior year: 8.3 million euros). The net margin thus improved from 2.2 per cent to 3.2 per cent. In the first two quarters, Bechtle AG achieved a substantial increase in earnings after taxes from 15.9 million euros to 27.7 million euros. On the basis of 21.0 million shares, the cumulative earnings per share amounted to 1.32 euros, compared to 0.76 euros in the prior year.

EPS

in euros



At segment level, the earnings situation was as follows:

EBIT in the IT system house & managed services segment increased by 88.0 per cent to 11.0 million euros (prior year: 5.8 million euros) during the second quarter of 2011. The EBIT margin was 3.7 per cent, compared to 2.4 per cent in the prior year. All regions had a major share in this development. Apart from the revenue increase, the improvement was mainly caused by the much higher gross earnings in this segment. The

acquisition of the high-margin companies Solidpro and SolidLine in the field of CAD also had a positive effect. In the six-month period, EBIT in the IT system house & managed services doubled from 10.4 million euros to 21.1 million euros. The margin thus amounted to 3.6 per cent (prior year: 2.2 per cent).

In the IT e-commerce segment, Bechtle generated EBIT of 8.7 million euros, 80.5 per cent more than in the prior year (4.8 million euros). The margin thus amounted to an above-average 5.3 per cent, compared to 3.7 per cent in the corresponding prior-year quarter. This development was made possible by the higher gross margin due to an optimised product mix and the lower personnel expense ratio in this segment. In the first half of the year, EBIT amounted to 16.4 million euros, compared to 10.1 million euros in the prior year (+62.5 per cent). The margin in this segment improved from 3.9 per cent to 5.1 per cent.

EBIT – GROUP AND SEGMENTS

in thousand euros

	Q2/2011	Q2/2010	Change	H1/2011	H1/2010	Change
Group	**19,644**	**10,640**	**84.6%**	**37,491**	**20,534**	**82.6%**
IT system house & managed services	10,980	5,841	88.0%	21,106	10,449	102.0%
IT e-commerce	8,664	4,799	80.5%	16,385	10,085	62.5%

ASSETS AND FINANCIAL POSITION

- **Liquidity situation remains very comfortable**
- **Group's equity base further strengthened**

As of 30 June 2011, the balance sheet total of the Bechtle Group amounted to 650.9 million euros, only slightly below the value of 31 December 2010 (653.7 million euros).

Development of the assets

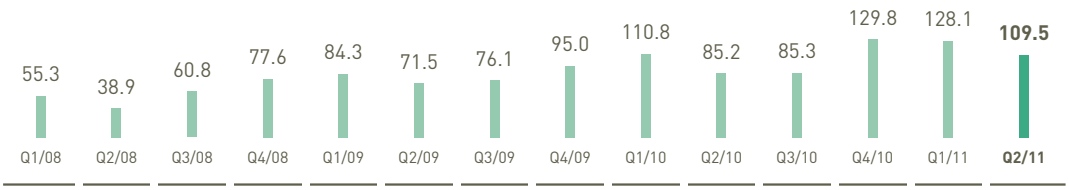
On the assets side, the greatest change involved the current assets. This item dropped by 6.8 per cent to 416.9 million euros. In the first half of the year, inventories increased by 24.6 per cent to 93.5 million euros, a share of 14.4 per cent in the total assets (31 December 2010: 11.5 per cent at 75.1 million euros), particularly because of the above-average revenue growth – especially in the large-volume project business – and fears concerning the availability of certain products due to the natural disaster in Japan. At the same time, payments for construction activities and acquisitions in the current fiscal year caused cash and cash equivalents to drop by 25.4 million euros to 60.1 million euros, and trade receivables declined by 26.6 million euros to 222.4 million euros for reasons related to the reporting date. The average DSO (days sales outstanding) increased slightly from 35.1 days in the prior year to 35.8 days in the second quarter of 2011.

See opportunities and risks, page 18

Non-current assets increased by 13.4 per cent, or 27.7 million euros, from 206.3 million euros to 234.0 million euros. This reflects the rise in goodwill by 12.1 million euros to 127.9 million euros and the increase in other intangible assets by 5.3 million euros to 23.0 million euros, which resulted from the acquisitions. Moreover, the construction activities that started in the fiscal year for the expansion of the logistics centre in Neckarsulm, Germany, boosted the property, plant and equipment from 29.2 million euros to 39.6 million euros. Accordingly, the capitalisation ratio of Bechtle AG increased from 31.6 per cent to 35.9 per cent.

As of the balance sheet date, cash and cash equivalents, including short and long-term time deposits and securities, dropped to 109.5 million euros (31 December 2010: 129.8 million euros).

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES) in million euros



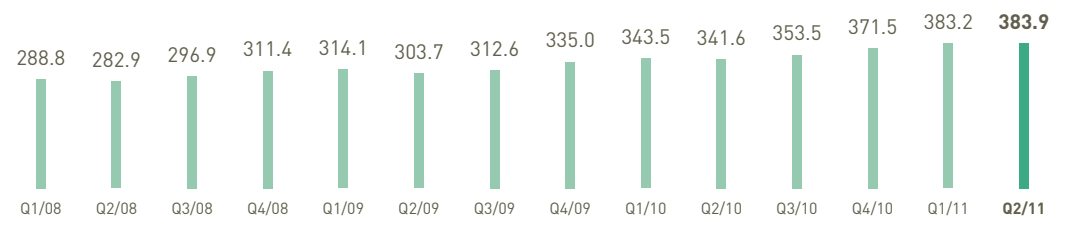
Development of the equity and liabilities

On the equity and liabilities side, current liabilities dropped to 207.2 million euros as of 30 June 2011 (31 December 2010: 235.5 million euros). With a decrease of 24.9 million euros, trade payables underwent the greatest change, from 129.1 million euros to 104.2 million euros as of the end of the quarter. For reasons related to the reporting date, other liabilities dropped by 16.5 million euros to 48.2 million euros. This was caused by the decrease by 7.6 million euros in personnel liabilities due to commission and bonus payments and a decrease by 7.7 million euros in VAT liabilities.

As of 30 June 2011, non-current liabilities climbed by 13.1 million to 59.8 million euros (31 December 2010: 46.7 million euros), an effect that was mainly caused by the increase in financial liabilities from 12.3 million euros to 21.8 million euros.

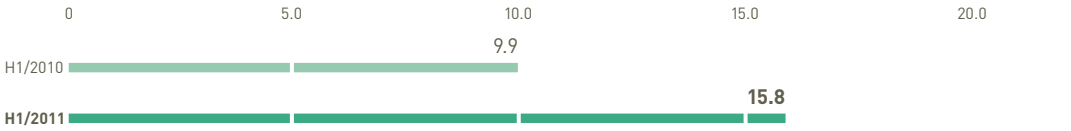
Due to the increase in retained earnings, the equity increased from 371.5 million euros to 383.9 million euros as of 30 June 2011. Accordingly, the equity ratio improved compared to 31 December 2010 from 56.8 per cent to 59.0 per cent.

EQUITY in million euros



RETURN ON EQUITY

in per cent

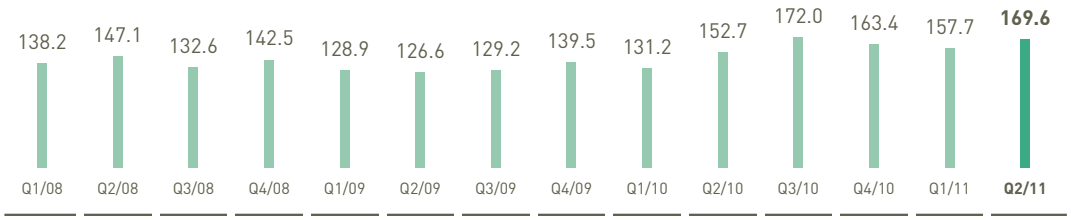


In the first six months of the current fiscal year, the increase in non-current assets made the equity to non-current assets ratio drop from 180.1 per cent to 164.1 per cent compared to 31 December 2010. Owing to the decline in cash and cash equivalents, the group's net indebtedness amounted to minus 81.8 million euros (31 December 2010: minus 112.7 million euros). As a result of the higher equity and the much lower current liabilities, the debt ratio of Bechtle AG improved from 0.76 to 0.70 as of 30 June 2011.

During the first half of 2011, working capital increased from 163.4 million euros to 169.6 million euros, in particular due to the higher stock levels. In relation to the balance sheet total, it amounted to 26.1 per cent as of 30 June 2011, compared to 25.0 per cent as of 1 December 2010.

WORKING CAPITAL

in million euros



BALANCE-SHEET KEY FIGURES OF THE BECHTLE GROUP

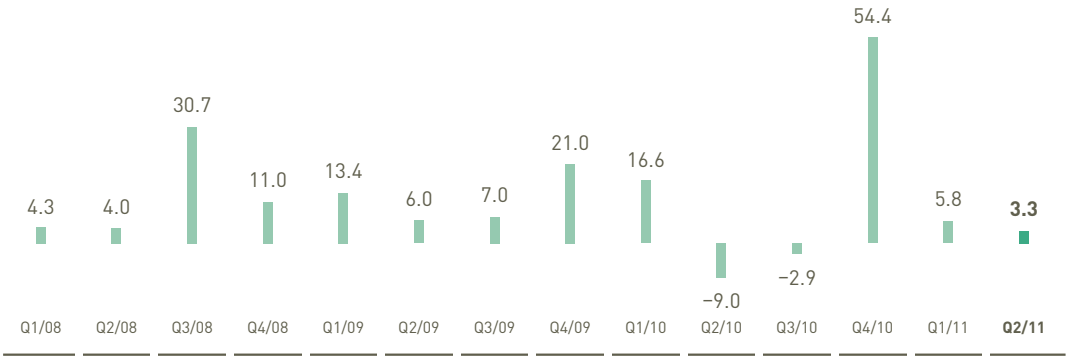
		30.06.2011	31.12.2010
Balance-sheet total	mill. euros	650.9	653.7
Cash and cash equivalents including time deposits and securities	mill. euros	109.5	129.8
Equity	mill. euros	383.9	371.5
Equity ratio	%	59.0	56.8
Equity to non-current assets ratio	%	164.1	180.1
Net indebtedness	mill. euros	–81.8	–112.7
Debt ratio		0.70	0.76
Working capital	mill. euros	169.6	163.4

Development of the cash flow

Year on year, the net cash generated from ongoing business activities in the first half of 2011 increased from 7.6 million euros to 9.1 million euros. This was mainly because of a significant increase in earnings. In contrast, the changes in net cash due to the continually positive business resulted in a higher cash outflow in the reporting period. The build-up of inventories caused a cash outflow of 16.9 million euros (prior year: 4.9 million euros), and the reduction of trade payables resulted in a cash outflow of 27.3 million euros (prior year: cash inflow of 11.2 million euros). Moreover, changes in other net assets caused an outflow of 13.8 million euros (prior year: 2.6 million euros). This was mainly due to the reduction of personnel liabilities in the form of commission and bonus payments and the reduction of VAT liabilities. However, Bechtle generated a substantial inflow of 29.6 million euros (prior year: outflow of 9.5 million euros) from the reduction of trade receivables.

CASH FLOW FROM OPERATING ACTIVITIES

in million euros



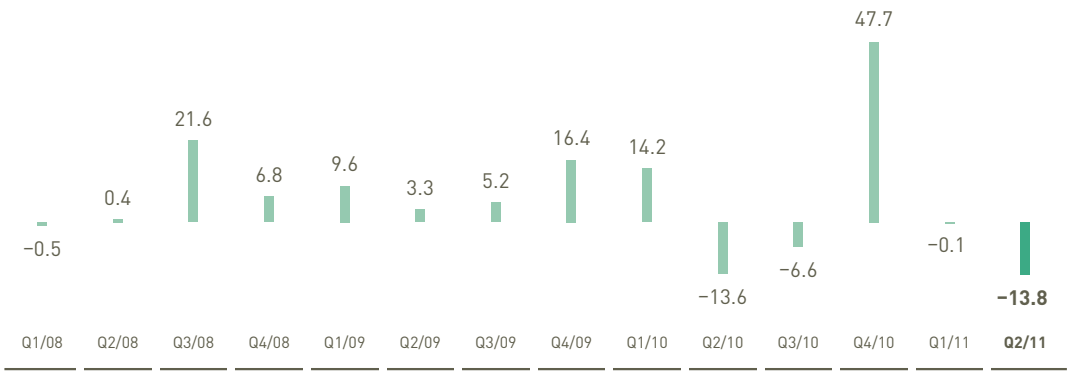
Year on year, the net cash investments in the first half of 2011 fell from 40.5 million euros to 27.3 million euros. While the group had spent 35.9 million euros on time deposits and securities in the first half of the prior year, this amount totalled 15.5 million euros in the first half of 2011. In contrast, payments for the purchase of intangible assets and property, plant and equipment increased from 4.8 million euros in the prior year to 14.0 million euros in the period under review, mainly because of the current expansion of the logistics centre in Neckarsulm, Germany. The cash outflow for acquisitions went up from 2.2 million euros in the prior year to 9.1 million euros in the first half of 2011. This amount was affected especially by the acquisition of SolidLine in 2011.

In the reporting period, the cash flow from financing activities underwent a cash outflow of 7.7 million euros, compared to 14.1 million euros in the prior year. This item was affected by the dividend payment and by the cash inflow from a loan taken out.

As expected, the free cash flow in the first half of the year amounted to minus 13.9 million euros (prior year: 0.6 million euros). This amount was mainly made up of the much higher payments for acquisitions and the greatly increased investments of Bechtle AG due to the building activities at the headquarters in Neckarsulm, Germany.

FREE CASH FLOW

in million euros

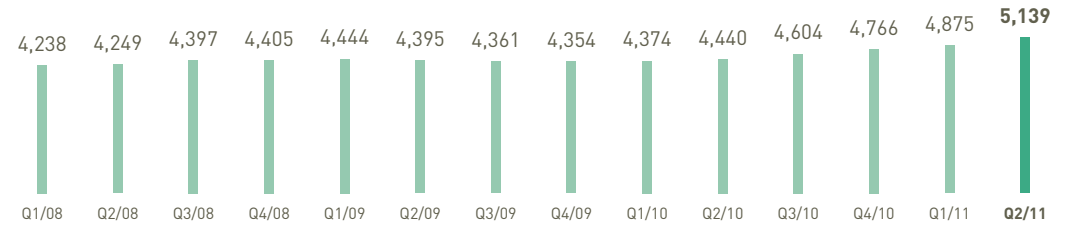


EMPLOYEES

- Bechtle AG creates new jobs
- Headcount passes 5,000 for the first time

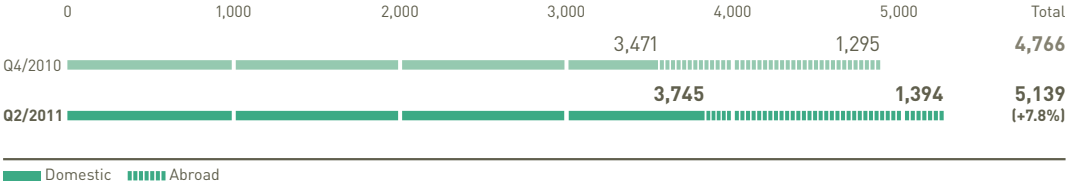
As of the reporting date of 30 June 2011, the Bechtle Group had a total of 5,139 employees, including 284 trainees (31 December 2010: 4,766 employees, including 306 trainees). Despite the mounting shortage of specialists, the number of employees in the group thus went up by 373 in the first half of the current fiscal year. The increase comprises new recruitments as well as the acquisition of SolidLine and the takeover of redIT in St. Gallen in the first half of 2011.

EMPLOYEES IN THE GROUP



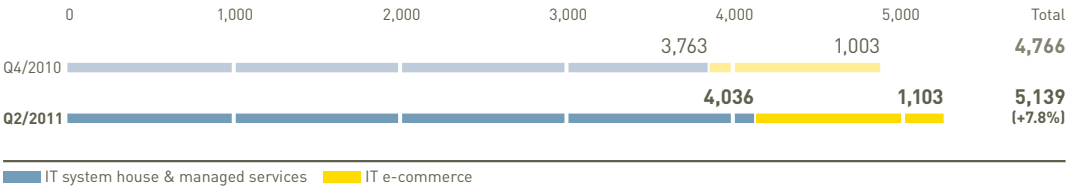
With 3,745 employees, Germany accounts for about three quarters of the personnel (31 December 2010: 3,471 employees). The number of employees working for the group abroad is 1,394, compared to a total of 1,295 at the beginning of the fiscal year.

EMPLOYEES BY REGIONS



As of the reporting date of 30 June, the IT system house & managed services segment had a total of 4,036 employees. Thus, the number of employees increased by 273 in the first half of 2011 (31 December 2010: 3,763 employees). The headcount in the IT e-commerce segment climbed to 1,103 as of the end of the reporting period. This means that this segment had 100 employees more than as of 31 December 2010 (1,003 employees).

EMPLOYEES BY SEGMENTS



The average headcount in the group during the first six months of 2011 amounted to 4,937, a number that significantly exceeded the prior-year figure of 4,377. Of this number, 3,858 employees belonged to the IT system house & managed services segment, compared to an average of 3,442 in the corresponding prior-year period. On average, IT e-commerce had 1,079 employees (prior year: 935 employees).

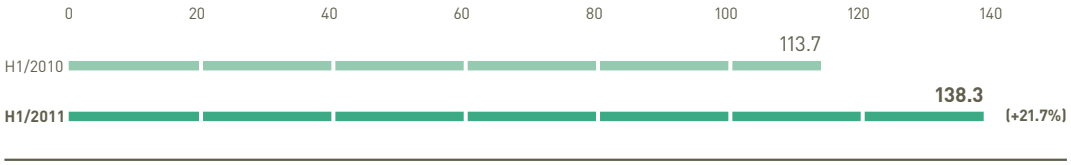
High training ratio

Bechtle intends to continue its course of growth in the current year with the addition of experienced and qualified senior staff members, and individual certification of existing employees at Bechtle's own Bechtle Academy, as well as with the addition of more trainees. As of the end of the reporting period, Bechtle had a total of 284 young trainees in 14 technical and administrative professions (31 December 2010: 306). Due to the considerable increase in average full-time jobs, the training ratio fell slightly from 6.4 per cent to 6.1 per cent in the first half of 2011.

In the period from January to June 2011, personnel and social expenses totalled 138.3 million euros, 21.7 per cent more than in the prior year (113.7 million euros). Due to the higher revenue, the expense ratio decreased from 15.6 per cent to 15.1 per cent. Based on an average number of 4,558 (prior year: 4,020) full-time employees, personnel and social expenses per employee increased from 28.3 thousand euros to 30.3 thousand euros, an increase of 7.3 per cent.

PERSONNEL AND SOCIAL EXPENSES

in million euros



RESEARCH AND DEVELOPMENT

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

OPPORTUNITIES AND RISKS

- **Positive economic development creates opportunities**
- **No mission-critical risks noticeable**

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

See Annual Report 2010, page 106 ff

The economic uptrend continued in the second quarter of 2011. The steady high demand and price increases in some IT sub-areas resulted in growing revenues in both business segments of Bechtle AG. Market research institutes expect this development to continue until the end of the year, though at lower growth rates. For this reason, the Bechtle Group assumes that the risks and opportunities described in the Annual Report 2010 will persist, especially in terms of economic trends and cyclicity within the industry.

In the future, the tense budget situation especially in some southern European countries and the money that flows into the EU rescue funds for this purpose could impair the willingness of government institutions to invest. On the other hand, the public sector in Germany has benefited from increasing tax income due to the good economic performance. These factors could affect the business of Bechtle AG in the public sector division.

The risk that the events related to the Fukushima nuclear plant in Japan and its consequences could impair the global supply chain in the IT market is not fully eliminated. Various product groups can still be affected by supply bottlenecks and delays as well as further prices increases. To counter this availability risk, Bechtle AG keeps higher inventory levels and engages in active supplier management. However, as the global procurement situation calms down in the coming months, inventory levels will gradually be reduced to normal.

NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

www.hansevision.com

In July, Bechtle AG acquired HanseVision GmbH, Hamburg, Germany – another consistent step in its strategic alignment as an IT solutions provider. The Microsoft solutions specialist concentrates especially on the future-oriented SharePoint technologies. Its service range comprises consulting, design, realisation, operation and coaching. The Microsoft Gold Partner has a qualified development department, comprehensive industry and consulting expertise and SAP integration experience. Among other things, HanseVision also provides cloud consulting on behalf of Microsoft and has rolled out one of Germany's first cloud computing projects on the basis of Windows Azure, the Microsoft platform for cloud services. Bechtle expects the acquisition to deliver considerable synergies and cross-selling effects in the conventional system house business.

In July 2011, Bechtle AG has prematurely terminated the lease for the logistics and administration building at the headquarters in Neckarsulm, Germany, and purchased land and buildings for 31.7 million euros. As the owner of the land and buildings it uses in Neckarsulm, Germany, Bechtle will be more flexible as far as the company's further development is concerned. Moreover, lower expenses for the use and management of the purchased property are expected in the future.

SHARE

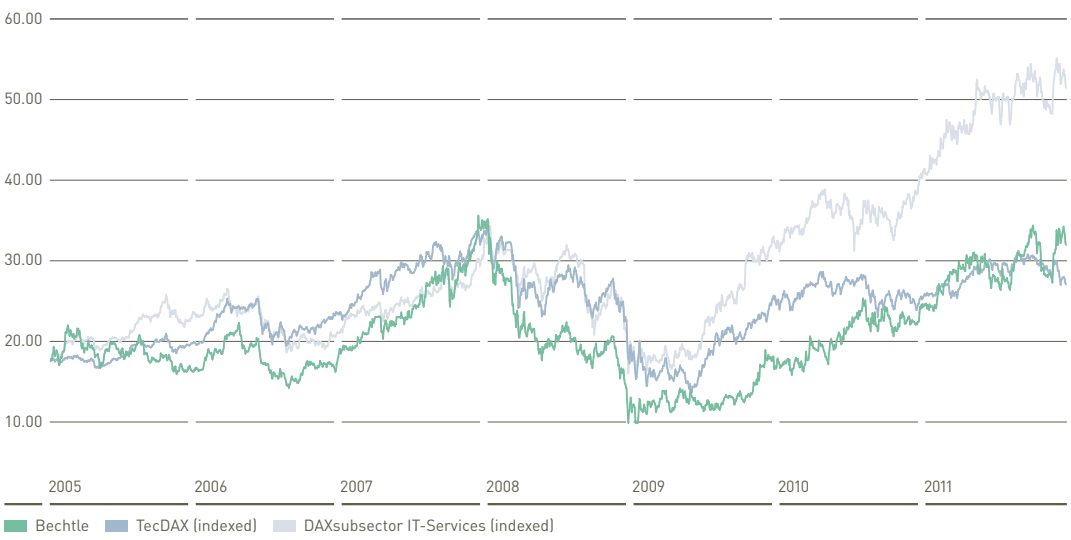
- Share markets still full of uncertainty
- Bechtle with significantly increased free float
- EPS in Q2 up to 0.69 euros

The debt crisis in Europe, most importantly the decision to grant Greece another support package, the uprisings in the Arab world and the after-effects of the nuclear disaster in Japan dominated the agenda on the international capital markets in the second quarter of 2011. Moreover, a number of indicators pointed to a slowdown of the economic dynamics particularly in the USA, but also in China, a market of growing significance to the German economy.

In the reporting period, the good fundamental condition of the export-oriented domestic economy and the rising profit expectations of companies made the leading German indices grow at stable one-digit rates. Moving on a slight but steady downtrend, the TecDAX was the only exception. Starting from a closing level of 938.54 on 1 April, the index reached its quarterly high of 948.59 on 5 April but then dropped to 897.88 points on 19 April. The TecDAX remained more or less stable until early June, but then lost considerable ground and closed at 893.78 on 30 June, after a brief period of recovery. Accordingly, the technology index has lost the majority of its gains from the first quarter.

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY 2005 TO JULY 2011

in euros

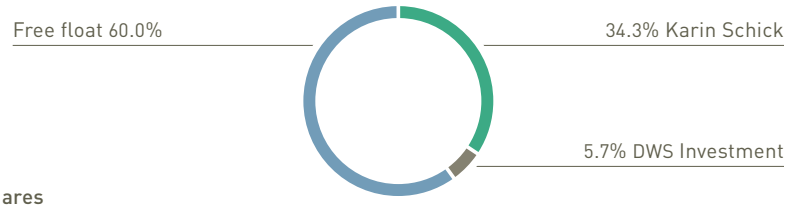


29.07.2011
€31.93

See www.bechtle.com/ir-en for the current share price

In the second quarter, the reallocation of a total of 3,916,507 shares was one of the key themes for Bechtle AG. In early June, the long-standing major shareholder BWK GmbH sold its entire interest in the company, amounting to 18.7 per cent, to institutional investors in Germany and other countries. Thus, the free float increased from 47 per cent to 60 per cent. DWS Investment GmbH purchased part of the share package, thereby increasing its existing shareholding to 5.7 per cent.

SHAREHOLDER STRUCTURE OF THE BECHTLE AG



21.0 million shares

The price movements of the Bechtle share were rather turbulent in the second quarter. Starting at 30.40 euros at the beginning of April, the share climbed to its quarterly high of 34.35 euros on 12 May. Following the announcement of the reallocation intentions of BWK on 23 May, the price dropped to 30.88 euros. By the time the transaction of the BWK shares was completed on 1 June, the price had declined to 28.68 euros. Thereafter, the share did not change much and reached its quarterly low of 27.22 euros on 28 June. However, the price recovered slightly on the two last trading days of the second quarter, closing at 30.85 euros on 30 June, 1.5 per cent above the value at the beginning of the quarter. As of 30 June, the market cap amounted to 647.9 million euros.

TRADING DATA OF THE BECHTLE SHARE

		Q2/2011	Q2/2010	Q2/2009	Q2/2008	Q2/2007	Q2/2006
Price at the beginning of the quarter	€	30.40	22.89	11.59	20.18	21.75	19.45
Price at the end of the quarter	€	30.85	21.01	13.40	17.95	27.21	15.88
High	€	34.35	25.23	13.40	22.25	27.90	20.32
Low	€	27.22	21.01	11.15	17.56	21.75	15.20
Performance – absolute	€	0.45	–1.88	1.81	–2.23	5.46	–3.57
Performance – relative	%	1.48	–8.21	15.62	–11.05	25.10	–18.35
Market cap – total[1]	mill. euros	647.9	441.2	284.1	380.5	576.9	336.7
Av. turnover/trading day[2]	shares	54,229	36,037	49,132	60,290	52,993	63,255
Av. turnover/trading day[2]	€	1,608,442	824,743	597,979	1,198,679	1,304,074	1,135,248

Xetra closing price data
[1] As of 30 June
[2] All German stock exchanges

The higher free float improved the tradability of Bechtle shares in the second quarter. On average, 54,229 shares were traded every trading day, compared to 36,037 shares in the prior-year quarter. The trading volume in euros almost doubled from an average of 824,743 euros per trading day in the prior year to 1,608,442 euros in the period under review.

In the June ranking of Deutsche Börse, Bechtle improved significantly compared to the prior year. Among the TecDAX stocks, the company ranked 16th (prior year: 22nd) in terms of the market cap. In terms of the stock exchange turnover, Bechtle advanced from 31st place in the prior year to 28th place.

On 7 June 2011, the Annual General Meeting of Bechtle AG adopted a resolution for the payment of a dividend of 0.75 euros. Compared to the prior year, the payment per share thus increased by 0.15 euros. Based on the total dividend payment of 15.8 million euros, this represents a distribution of 33.9 per cent of the consolidated earnings after taxes to the shareholders. In relation to the closing price on the date of the Annual General Meeting, the dividend yield amounted to 2.6 per cent.

EARNINGS PER SHARE

		Q2/2011	Q2/2010	Change
Earnings after taxes	thou. euros	14,482	8,321	74.0%
Av. number of shares	thou. shares	21,000	21,000	
Earnings per share	€	0.69	0.40	74.0%

FORECAST

- Economic growth at high level
- Outlook for 2012 also positive
- Bechtle expects continuation of sound business performance

Macroeconomic environment

In the course of the year, the growth dynamics in the euro area are expected to pick up a little. For the third and fourth quarters, the European Commission predicts an increase of 0.4 per cent, respectively, over the prior quarter. The growth rates in the large national economies in the euro area are highly homogeneous, ranging from 0.3 to 0.5 per cent in the individual quarters. Only Spain, with 0.2 per cent in the third quarter, is slightly outside this range. For the year as a whole, the commission predicts a growth of 1.6 per cent, a level more or less corresponding to that of the prior year (1.8 per cent). In 2012, growth is expected to increase slightly to 1.8 per cent.

ec.europa.eu

For Switzerland, the State Secretariat for Economic Affairs forecasts a GDP growth of 2.1 per cent in 2011 and of 1.5 per cent in 2012.

www.seco.admin.ch

In Germany, too, GDP growth is to pick up in the third and fourth quarters, reaching 0.5 per cent in each case. A growth of 2.4 to 2.8 per cent is expected for 2011 as a whole. A somewhat weaker performance of about 2 per cent is forecast for 2012.

Industry

www.eito.com

For 2011, noticeable growth is expected for the IT industry, though some of the forecasts have been corrected downwards. According to the market research institute EITO, the IT market in the EU is expected to grow by 2.9 per cent in 2011. The growth is being driven by the hardware and software segments. In the hardware segment, growth is expected to be especially strong in the area of workstations and mobile computers. The future hardware business on the larger IT markets of the EU is largely homogeneous. The values differ only slightly, from 3.2 per cent in Italy to 4.1 per cent in Spain. The Swiss IT market is expected to grow by approximately 3 per cent. Here, too, the growth drivers are hardware with 4.6 per cent and software with 4.3 per cent. With an increase of 1.6 per cent, services are much slower.

www.bitkom.org

The forecast of the industry association BITKOM for the German IT market points to 4.3 per cent growth. At 69 billion euros, the volume is expected to be around 2008 levels. The greatest growth of 5.6 per cent is expected in the hardware segment. BITKOM expects growth of 4.5 per cent in software revenues. A growth rate of 3.5 per cent is anticipated for services. A total of 4.4 per cent growth is forecast for the IT market for 2012. Hardware and software are expected to gain about 5 per cent each, and services about 3.8 per cent.

Performance of the Bechtle Group

Following the highly successful first half of the year, the Executive Board is confident that the Bechtle Group will continue to perform well in the remaining part of the year. The volume of incoming orders at the beginning of the third quarter supports this opinion. However, the dynamics are expected to slow down in the course of the year. All in all, the management expects revenue to grow up to 2 billion euros, along with a significant improvement in earnings, in the fiscal year 2011.

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

Bechtle plans to continue to expand its business in the public sector division. In this context, requests for tenders from European institutions offer considerable potential. To meet the specific requirements in this customer segment, Bechtle is going to establish a company in Brussels, Belgium, before the end of this year. This company is to coordinate and intensify the activities with the European institutions through on-site contact. The projects will be rolled out with the help of an efficient organisation that is especially designed for this customer structure and for project business.

Bechtle direct is consistently pursuing its international growth strategy. Currently, preparations are being made to enter the Hungarian market. This step into another Eastern European country serves to expand the company's presence in this region and to reinforce its position as European market leader. Moreover, the company is evaluating a possible market launch in Turkey.

The expansion of the logistics centre in Neckarsulm, Germany, is progressing according to schedule and is to be completed within this fiscal year. By means of a new warehouse management system and innovative handling technology, Bechtle is laying the foundations for effective realisation of the growth targeted in the Vision 2020. The planned construction of a new administrative building at the Neckarsulm site will most likely follow in the second half of 2011. Accordingly, the investments of the Bechtle Group in 2011 and 2012 will be higher.

Forward-looking statements

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

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

Neckarsulm, 9 August 2011

Bechtle AG

The Executive Board

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

from 1 January to 30 June 2011 (2010)

in thou. euros

	01.04–30.06.2011	01.04–30.06.2010	01.01–30.06.2011	01.01–30.06.2010
Revenue	457,031	374,977	913,138	729,735
Cost of sales	389,095	324,192	779,311	628,964
Gross profit	**67,936**	**50,785**	**133,827**	**100,771**
Distribution costs	29,873	23,353	57,839	45,457
Administrative expenses	22,832	19,244	45,555	38,667
Other operating income	4,413	2,452	7,058	3,887
Operating earnings	**19,644**	**10,640**	**37,491**	**20,534**
Financial income	467	503	846	962
Financial expenditure	171	123	301	231
Earnings before taxes	**19,940**	**11,020**	**38,036**	**21,265**
Income taxes	5,458	2,699	10,379	5,357
Earnings after taxes (attributable to shareholders of Bechtle AG)	**14,482**	**8,321**	**27,657**	**15,908**
Net earnings per share (basic and diluted) in euros	**0.69**	**0.40**	**1.32**	**0.76**
Weighted average shares outstanding (basic and diluted) in thousand	**21,000**	**21,000**	**21,000**	**21,000**

Details can be found in the notes to the consolidated interim financial statements, particularly in item IV. "Notes to the income statement and to the consolidated statement of comprehensive income", page 32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January to 30 June 2011 (2010)

in thou. euros

	01.04–30.06.2011	01.04–30.06.2010	01.01–30.06.2011	01.01–30.06.2010
Earnings after taxes	**14,482**	**8,321**	**27,657**	**15,908**
Other comprehensive income				
Actuarial profit and loss in pension provisions	–1,032	–726	–522	–1,085
Income tax effect	185	152	93	227
Unrealised profit and loss on securities	108	–107	–38	–300
Income tax effect	–7	9	5	44
Unrealised profit and loss on financial derivatives	–76	–7	117	–49
Income tax effect	23	3	–33	15
Currency exchange differences of net investments in foreign operations	–48	131	–48	195
Income tax effect	9	0	9	0
Hedging of net investments in foreign operations	–3,340	–2,949	–1,676	–4,475
Income tax effect	972	859	488	1,303
Changes in difference from foreign currency translation	5,111	5,023	2,075	7,472
Total other comprehensive income	**1,905**	**2,388**	**470**	**3,347**
Of which income tax effect	1,182	1,023	562	1,589
Total comprehensive income (attributable to shareholders of Bechtle AG)	**16,387**	**10,709**	**28,127**	**19,255**

Details can be found in the notes to the consolidated interim financial statements, particularly in item IV. "Notes to the income statement and to the consolidated statement of comprehensive income", page 32

CONSOLIDATED BALANCE SHEET

as of 30 June 2011 (2010)

ASSETS

in thou. euros

	30.06.2011	31.12.2010	30.06.2010
Non-current assets			
Goodwill	127,927	115,835	111,616
Other intangible assets	23,024	17,698	13,510
Property, plant and equipment	39,639	29,162	27,442
Trade receivables	188	231	705
Tax receivables	156	156	171
Deferred taxes	10,149	10,652	11,325
Other assets	2,431	1,870	2,374
Time deposits and securities	30,440	30,654	38,906
Total non-current assets	**233,954**	**206,258**	**206,049**
Current assets			
Inventories	93,498	75,056	65,417
Trade receivables	222,419	249,046	199,869
Tax receivables	2,180	2,380	1,421
Other assets	19,722	21,880	12,786
Time deposits and securities	19,023	13,619	14,059
Cash and cash equivalents	60,067	85,477	32,208
Total current assets	**416,909**	**447,458**	**325,760**
Total assets	**650,863**	**653,716**	**531,809**

Details can be found in the notes to the consolidated interim financial statements, particularly in item V. "Notes to the balance sheet and to the statement of changes in equity", page 33

EQUITY AND LIABILITIES

in thou. euros

	30.06.2011	31.12.2010	30.06.2010
Equity			
Issued capital	21,000	21,000	21,000
Capital reserve	145,228	145,228	145,228
Retained earnings	217,632	205,255	175,388
Total equity	**383,860**	**371,483**	**341,616**
Non-current liabilities			
Pension provisions	13,717	13,227	9,604
Other provisions	1,151	810	227
Financial liabilities	21,816	12,266	6,504
Trade payables	0	0	569
Deferred taxes	15,129	13,209	12,110
Other liabilities	600	650	235
Deferral items	7,430	6,565	5,064
Total non-current liabilities	**59,843**	**46,727**	**34,313**
Current liabilities			
Other provisions	6,927	5,338	3,456
Financial liabilities	5,873	4,812	2,884
Trade payables	104,188	129,060	95,451
Tax payables	7,147	6,337	3,112
Other liabilities	48,169	64,624	38,737
Deferral items	34,856	25,335	12,240
Total current liabilities	**207,160**	**235,506**	**155,880**
Total equity and liabilities	**650,863**	**653,716**	**531,809**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

from 1 January to 30 June 2011 (2010)

in thou. euros

			Retained earnings			
	Issued capital	Capital reserves	Accrued profits	Change in equity recognised directly in equity	Total	Total equity (attributable to shareholders of Bechtle AG)
Equity as of 1 January 2010	**21,000**	**145,228**	**173,335**	**–4,602**	**168,733**	**334,961**
Distribution of profits for 2009			–12,600		–12,600	–12,600
Earnings after taxes			15,908		15,908	15,908
Other comprehensive income				3,347	3,347	3,347
Total comprehensive income	0	0	15,908	3,347	19,255	19,255
Equity as of 30 June 2010	**21,000**	**145,228**	**176,643**	**–1,255**	**175,388**	**341,616**
Equity as of 1 January 2011	**21,000**	**145,228**	**207,157**	**–1,902**	**205,255**	**371,483**
Distribution of profits for 2010			–15,750		–15,750	–15,750
Earnings after taxes			27,657		27,657	27,657
Other comprehensive income				470	470	470
Total comprehensive income	0	0	27,657	470	28,127	28,127
Equity as of 30 June 2011	**21,000**	**145,228**	**219,064**	**–1,432**	**217,632**	**383,860**

Details can be found in the notes to the consolidated interim financial statements, particularly in item V. "Notes on the balance sheet and the statement of changes in equity", page 33

CONSOLIDATED CASH FLOW STATEMENT

from 1 January to 30 June 2011 (2010)

in thou. euros

	01.04.–30.06.2011	01.04.–30.06.2010	01.01.–30.06.2011	01.01.–30.06.2010
Operating activities				
Earnings before taxes	**19,940**	**11,020**	**38,036**	**21,265**
Adjustment for non-cash income/expenses				
Financial earnings	–296	–375	–545	–731
Depreciation and amortisation of intangible assets and property, plant and equipment	4,162	3,725	8,056	7,390
Earnings on disposals of intangible assets and property, plant and equipment	–11	–13	–16	14
Other non-cash expenses/income	2,490	189	3,132	–144
Changes in net assets				
Changes in inventories	–2,530	–2,688	–16,856	–4,929
Changes in trade receivables	5,060	–21,565	29,568	–9,527
Changes in trade payables	–18,905	7,526	–27,344	11,227
Changes in accruals and deferrals	–4,815	–2,636	–2,522	–7,212
Changes in other net assets	1,232	–1,208	–13,826	–2,607
Income taxes paid	–3,051	–3,004	–8,586	–7,190
Cash flow from operating activities	**3,276**	**–9,029**	**9,097**	**7,556**
Investing activities				
Cash paid for the acquisition of consolidated companies less cash acquired	–9,104	–2,216	–9,104	–2,216
Cash paid for investments of intangible assets and property, plant and equipment	–8,098	–2,372	–14,010	–4,819
Cash received from sale of intangible assets and property, plant and equipment	127	55	145	78
Cash paid for the acquisition of time deposits and securities	300	8,814	–15,461	–35,906
Cash received from sale of time deposits and securities as well as from paybacks of non-current assets	9,708	1,643	9,708	1,670
Interest payments received	705	493	1,397	647
Cash flow from investing activities	**–6,362**	**6,417**	**–27,325**	**–40,546**
Financing activities				
Cash paid for finance liabilities	–1,048	–1,870	–1,588	–1,989
Cash received from finance liabilities	10,000	127	10,000	775
Dividends paid	–15,750	–12,600	–15,750	–12,600
Interest paid	–253	–179	–364	–266
Cash flow from financing activities	**–7,051**	**–14,522**	**–7,702**	**–14,080**
Exchange-rate-related changes in cash and cash equivalents	1,682	2,043	520	2,811
Changes in cash and cash equivalents	**–8,455**	**–15,091**	**–25,410**	**–44,259**
Cash and cash equivalents at the beginning of the period	**68,522**	**47,299**	**85,477**	**76,467**
Cash and cash equivalents at the end of the period	**60,067**	**32,208**	**60,067**	**32,208**

Details can be found in the notes to the consolidated interim financial statements, particularly in item VI. "Notes on the cash flow statement", page 35

NOTES

I. GENERAL DISCLOSURES

Bechtle AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and as such 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 June 2011 has also been prepared in accordance with the IFRS.

In accordance with IAS 34, the scope of the presentation used in this interim financial report as of 30 June 2011 is significantly reduced compared to the consolidated financial statements as of the end of the fiscal year. Additionally, the requirements of the German Accounting Standard No. 16 (DRS 16) and of Section 66 of the Stock Exchange Rules and Regulations of the Frankfurt stock exchange that exceed IAS 34 have been taken into consideration and fully met.

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

II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION

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

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

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

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

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

There are other new and amended standards and interpretations that have been published by the IASB or IFRIC but that have not yet been endorsed by the EU. These will only be applied in future fiscal years. Bechtle will duly consider the new and amended regulations and report on their application and possible effects.

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

www.bechtle.com/
financial-reports

Income taxes

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

III. SCOPE OF CONSOLIDATION

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

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

Company	Headquarters	Date of initial consolidation	Acquisition/ foundation
Bechtle Grundstücksverwaltungsgesellschaft mbH	Neckarsulm, Germany	23.02.2011	Foundation
HCV Data Management GmbH	Walluf, Germany	17.05.2011	Acquisition
Solid Line Aktiengesellschaft	Walluf, Germany	17.05.2011	Acquisition
Solid Solutions AG	Zürich, Switzerland	17.05.2011	Acquisition

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

Expense structure

in thou. euros

	Cost of sales		Distribution costs		Administrative expenses	
	01.01–30.06.2011	01.01–30.06.2010	**01.01–30.06.2011**	01.01–30.06.2010	**01.01–30.06.2011**	01.01–30.06.2010
Material costs	694,650	557,097	0	0	0	0
Personnel expenses	63,856	53,901	43,906	33,728	30,543	26,044
Depreciation and amortisation	3,848	3,262	2,013	1,961	2,195	2,167
Other operating expenses	16,957	14,704	11,920	9,768	12,817	10,456
Total costs	**779,311**	**628,964**	**57,839**	**45,457**	**45,555**	**38,667**

Other operating income

Other operating income mainly consisted of marketing grants and other payments of suppliers amounting to 4,517 thousand euros (prior year: 2,423 thousand euros) and income from currency translation differences amounting to 1,934 thousand euros (prior year: 968 thousand euros). Allowing for the expenses from the currency translation that were recognised under cost of sales, distribution costs and administrative expenses, offsetting would result in net income from currency translation differences of 880 thousand euros (prior year: 282 thousand euros).

Earnings per share

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

	01.01–30.06.2011	01.01–30.06.2010
Earnings after taxes (in thousand euros)	27,657	15,908
Average number of outstanding shares	21,000,000	21,000,000
Earnings per share (euros)	**1.32**	**0.76**

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

Other earnings

The other earnings were mainly affected by the development of the euro/Swiss franc exchange rate. In the reporting period, the Swiss franc continued to gain in value against the euro, though to a much lesser extent than in the corresponding prior-year period. Details on the composition of the other earnings, which are recognised directly in equity outside profit or loss, with respect to the change that this item underwent and its accumulated balance are presented in section V. "Notes to the balance sheet and to the statement of changes in equity".

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

Assets

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

Compared to the consolidated financial statements as of 31 December 2010, the assets of the Bechtle Group as of 30 June 2011 now also contain the assets of the business operations acquired in the period under review (see section IX. "Acquisitions and purchase price allocation").

Equity

Retained earnings

At the Annual General Meeting of 7 June 2011, a resolution was adopted to pay a dividend of 0.75 euros per no-par share with dividend entitlement for the fiscal year 2010 (dividend total: 15,750 thousand euros). The dividend was paid on 8 June 2011.

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

in thou. euros

	30.06.2011	31.12.2010	01.01–30.06.2011	01.01–30.06.2010
Actuarial gains/losses from pension provisions	–14,593	–14,071	–522	–1,085
Income tax effects	2,621	2,528	93	227
Unrealised gains/losses from securities	21	59	–38	–300
Income tax effects	0	–5	5	44
Unrealised gains/losses from financial derivatives	–122	–239	117	–49
Income tax effects	36	69	–33	15
Currency translation differences from net investments in foreign business operations	–48	0	–48	195
Income tax effects	9	0	9	0
Hedging of net investments in foreign business operations	–9,861	–8,185	–1,676	–4,475
Income tax effects	2,871	2,383	488	1,303
Currency translation differences	17,634	15,559	2,075	7,472
Accumulated earnings outside profit or loss	**–1,432**	**–1,902**	**470**	**3,347**

Liabilities

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

Compared to the consolidated financial statements as of 31 December 2010, the liabilities of the Bechtle Group as of 30 June 2011 now also contain the liabilities of the business operations acquired in the period under review (see section IX. "Acquisitions and purchase price allocation").

The increase in financial liabilities in the reporting period in the amount of 10,000 thousand euros mainly resulted from a new loan taken out to finance acquisitions. The term of this loan from Kreissparkasse Heilbronn runs until 30 June 2018. It is subject to a fixed annual interest rate of 3.7 per cent and is to be repaid with quarterly instalments of 357 thousand euros as of the end of each quarter, for the first time at the end of September 2011. Collateral only exists in the form of a negative pledge.

VI. NOTES ON THE CASH FLOW STATEMENT

The continuing positive business performance with its high growth dynamics is reflected in the cash flow from operating activities in the significantly increased earnings before taxes, and in high cash outflow from changes in the net assets. Year on year, the much higher build-up of inventories and the reduction of trade payables are some of the factors that contributed to higher cash outflows. The higher cash inflow from the reduction of trade receivables only compensated this effect to a limited extent.

The cash flow from investing activities was mainly effected by the payments for acquisitions and investments, which were much higher than in the corresponding prior-year period. In contrast, the reporting period witnessed less shifting of cash and cash equivalents to time deposits and securities.

The cash flow from financing activities was affected by the dividend payment, which was higher than in the prior year, and by a loan taken out to finance the acquisitions.

VII. OPERATING LEASES

The future minimum lease payments from rental and leasing contracts classified as "operating leases" according to IAS 17 amounted to 92,320 thousand euros as of 30 June 2011 (31 December 2010: 88,807 thousand euros).

in thou. euros

	30.06.2011	31.12.2010
Due within one year	21,977	21,324
Due between one and five years	45,104	42,126
Due after five years	25,239	25,357
Total minimum lease payments	**92,320**	**88,807**

VIII. SEGMENT INFORMATION

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

in thou. euros

	01.01–30.06.2011			01.01–30.06.2010		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
By segments						
Total segment revenues	591,851	322,879		472,532	258,168	
Less revenues with another segment	–1,330	–262		-859	–106	
External revenues	590,521	322,617	**913,138**	471,673	258,062	**729,735**
Depreciation/amortisation	6,333	1,723	**8,056**	5,251	2,139	**7,390**
Operating earnings	21,106	16,385	**37,491**	10,449	10,085	**20,534**
Financial earnings			**545**			**731**
Earnings before taxes			**38,036**			**21,265**
Income taxes			**10,379**			**5,357**
Earnings after taxes			**27,657**			**15,908**
Investments	9,780	4,230	**14,010**	3,445	973	**4,418**
Investments by changes in the scope of consolidation	20,663	0	**20,663**	2,786	0	**2,786**

in thou. euros

	30.06.2011			31.12.2010		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
By segments						
Total segment assets	446,647	204,704		435,676	218,134	
Minus receivables from another segment	–376	–112		–20	–74	
Assets	446,271	204,592	**650,863**	435,656	218,060	**653,716**
Total segment liabilities	180,900	86,591		188,261	94,066	
Minus liabilities to another segment	–112	–376		–74	–20	
Liabilities	180,788	86,215	**267,003**	188,187	94,046	**282,233**

in thou. euros

	01.01–30.06.2011			01.01–30.06.2010		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
External revenues	585,035	328,103	**913,138**	475,475	254,260	**729,735**
Investments	11,765	2,245	**14,010**	3,138	1,280	**4,418**
Investments by changes in the scope of consolidation	16,758	3,905	**20,663**	2,786	0	**2,786**

in thou. euros

	30.06.2011			31.12.2010		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
Assets	389,855	261,008	**650,863**	376,934	276,782	**653,716**
Liabilities	171,558	95,445	**267,003**	183,057	99,176	**282,233**

Information on the number of employees by segments and regions is provided in section X. "Employees", page 42

IX. ACQUISITIONS AND PURCHASE PRICE ALLOCATION

Partial business operation "Technologie Services Region Ost" (St. Gallen Branch) of redIT Services AG, Zug, Switzerland (redIT St. Gallen Branch)

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

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

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

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

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

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

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

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

Solid Line Aktiengesellschaft, Walluf, Germany (SolidLine)

As of the acquisition date of 17 May 2011, the company purchased all shares of Solid Line Aktiengesellschaft, Walluf, 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 recognised from the acquired company, whose carrying amounts corresponded to their fair value, a customer base (3,050 thousand euros), customer service agreements (2,840 thousand euros) and a non-compete agreement (815 thousand euros) 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 (1,642 thousand euros) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of five years, of the customer service agreements, which are amortised over a period of ten years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired total net assets (7,006 thousand euros), the capital consolidation resulted in a difference of 10,702 thousand euros that is presented as goodwill.

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

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

	in thou. euros
Non-current assets	
Goodwill	10,702
Other intangible assets	6,726
Property, plant and equipment	3,235
Other assets	594
Total non-current assets	**21,257**
Current assets	
Inventories	1,657
Trade receivables	2,370
Tax receivables	10
Other assets	4,741
Cash and cash equivalents	7,653
Total current assets	**16,431**
Total assets	**37,688**
Non-current liabilities	
Financial liabilities	1,674
Deferred taxes	1,731
Deferral items	644
Total non-current liabilities	**4,049**
Current liabilities	
Financial liabilities	392
Trade payables	1,972
Tax payables	272
Other provisions and liabilities	1,212
Deferral items	12,083
Total current liabilities	**15,931**
Total liabilities	**19,980**
Total assets – Total liabilities = Cost of purchase	**17,708**

The company purchase agreement for the acquisition of SolidLine contains a (contingent) purchase price payment of up to 1,692 thousand euros, which depends on the acquired company's future earnings before taxes. The fair value of this contingent purchase price payment at the acquisition date was 1,400 thousand euros, based on the validated earnings projections of SolidLine. This amount is included in the presented cost of purchase (IFRS 3.39). Other cost of purchase (16,308 thousand euros) resulted in an outflow of cash and cash equivalents.

In the reporting period, SolidLine accounted for 4,434 thousand euros of the revenues and 516 thousand euros of the earnings after taxes of the Bechtle Group (IFRS 3.B64qi).

The receivables taken over were only subject to minor impairments.

Had the acquisition already taken place at the beginning of the reporting period, Bechtle Group revenues for the reporting period would have been 927,716 thousand euros, and earnings after taxes 28,627 thousand euros (IFRS 3.B64qii).

When it purchased Netzwerk Beratung Informationssysteme Duisburg GmbH, Duisburg, Germany, in the 2008 fiscal year, Bechtle had undertaken to pay conditional retroactive purchase price increases. In the 2010 fiscal year, these contingent purchase price increases were contractually capped at a maximum of 400 thousand euros and made conditional upon the contribution margin achieved with customers and upon certain customer relationships. In April 2011, this conditional purchase price payment was settled and paid out. The amount totalled 300 thousand euros, which was recognised as additional goodwill.

When it purchased HTH Consulting GmbH, St. Pölten, Austria, in the 2010 fiscal year, Bechtle had undertaken to pay conditional retroactive purchase price increases amounting to a total of up to 500 thousand euros, depending on the acquired company's future earnings before taxes. At the time, the fair value of this contingent purchase price payment on the acquisition date was recognised as 450 thousand euros, based on the validated earnings projections of HTH. In April 2011, this conditional purchase price payment was settled and paid out. The amount was exactly 450 thousand euros, as already determined and recognised in the prior year.

X. EMPLOYEES

The employee numbers were as follows:

	30.06.2011	31.12.2010	01.01–30.06.2011	01.01–30.06.2010
Full-time employees	4,771	4,372	4,558	4,020
Trainees	284	306	295	276
Employees on parental leave or in military or civilian service	84	88	84	81
Temporary staff	135	138	134	123
Total	**5,274**	**4,904**	**5,071**	**4,500**

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

	30.06.2011	31.12.2010	01.01–30.06.2011	01.01–30.06.2010
IT system house & managed services	**4,036**	**3,763**	**3,858**	**3,442**
Domestic	3,356	3,129	3,216	2,850
Abroad	680	634	642	592
IT e-commerce	**1,103**	**1,003**	**1,079**	**935**
Domestic	389	342	376	308
Abroad	714	661	703	627

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

	30.06.2011	31.12.2010	01.01–30.06.2011	01.01–30.06.2010
Service	2,389	2,203	2,280	2,076
Sales	1,606	1,458	1,543	1,278
Administration	1,060	1,017	1,030	942

XI. EVENTS AFTER THE END OF THE REPORTING PERIOD

In July 2011, Bechtle signed an agreement with Fabiana Grundstücksverwaltungsgesellschaft mbH, Munich, Germany, for the premature termination of the existing lease for the central logistics and administration building in Neckarsulm and the acquisition of the respective assets and liabilities by Bechtle as the previous lessee of the property.

The purchased assets comprise land and buildings worth 31,668 thousand euros. The assumed liabilities, which consist of financial liabilities and four bank loans with different terms, also have the same value.

All in all, this resulted in an increase of Bechtle's balance sheet total as of 1 August 2011 by 31,668 thousand euros. In addition, incidental acquisition costs estimated at approximately 1,700 thousand euros are to be capitalised.

Bechtle anticipates greater flexibility in terms of the company's further growth-oriented development through the acquisition of the land and buildings in Neckarsulm, Germany, which it uses for its central functions. Moreover, lower operating expenses for the use and management of the existing property are expected in the future.

As of the acquisition date of 28 July 2011, Bechtle acquired all interests in HanseVision GmbH, Hamburg, Germany.

The acquisition was recognised in the balance sheet according to the purchase method (IFRS 3.4 ff). Due to the short time and the complex measurement requirements, the identification and measurement of the assets acquired, of the liabilities assumed and of the – partly conditional – consideration paid is likewise not yet provisionally finished (IFRS 3.B66). Provisional values are expected to become available by the next interim financial statement as of 30 September 2011 (IFRS 3.45).

By acquiring HanseVision GmbH (22 employees), Bechtle has consistently pursued its strategic alignment as an IT solution provider, further expanding the field of software and application solutions in the IT system house & managed services segment. HanseVision GmbH is an established specialist in Microsoft solutions that concentrates especially on the future-oriented SharePoint technologies. Bechtle also expects the acquisition to deliver considerable synergies and cross-selling effects in the conventional system house business.

Neckarsulm, 9 August 2011

Bechtle AG

The Executive Board

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

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

Neckarsulm, 9 August 2011

Bechtle AG

The Executive Board

Dr Thomas Olemotz | Michael Guschlbauer | Jürgen Schäfer

AUDITING INFORMATION

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

FINANCIAL CALENDAR

Interim Report 2nd Quarter 2011
Wednesday, 10 August 2011
Conference call with analysts, investors and media

Shareholder Days 2011
Tuesday, 23 August 2011
Wednesday, 21 September 2011
Thursday, 20 October 2011

Interim Report 3rd Quarter 2011
Thursday, 10 November 2011
Conference call with analysts, investors and media

Publisher
Bechtle AG, Neckarsulm

Contact
Bechtle AG
Bechtle Platz 1
74172 Neckarsulm
Germany

Investor Relations

Thomas Fritsche
Phone +49 (0) 7132 981-4121
Fax +49 (0) 7132 981-4116
thomas.fritsche@bechtle.com

Martin Link
Phone +49 (0) 7132 981-4149
Fax +49 (0) 7132 981-4116
martin.link@bechtle.com

The Interim Report Q2/2011 was published on 10 August 2011.

Bechtle AG
Bechtle Platz 1, 74172 Neckarsulm

Phone +49 (0) 7 132 981-0
ir@bechtle.com
www.bechtle.com

Your strong IT Partner.
Today and Tomorrow.

BECHTLE