

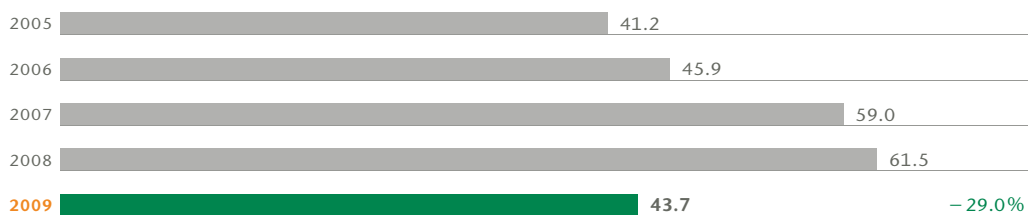
ANNUAL REPORT 2009

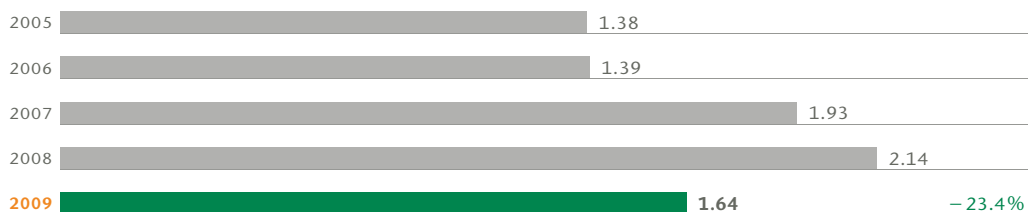


Bechtle – Your strong IT Partner. Today and Tomorrow.



REVENUE in million euros

EBT in million euros

EPS in euros

DIVIDEND PER SHARE in euro

*Proposal to the Annual General Meeting

EMPLOYEES

KEY FIGURES OF THE BECHTLE GROUP

		2005	2006	2007	2008	2009	Change in % 2009–2008
Revenue	th. euros	1,178,269	1,220,138	1,383,453	1,431,462	1,379,307	– 3.6
– IT system house & managed services	th. euros	811,042	816,998	885,772	927,530	919,956	– 0.8
– IT e-commerce	th. euros	367,227	403,140	497,681	503,932	459,351	– 8.8
EBITDA	th. euros	53,121	60,186	71,754	74,139	56,976	– 23.1
– IT system house & managed services	th. euros	27,510	33,681	42,808	47,846	36,004	– 24.8
– IT e-commerce	th. euros	25,611	26,505	28,946	26,293	20,972	– 20.2
EBIT	th. euros	41,195	45,730	58,253	60,229	42,712	– 29.1
– IT system house & managed services	th. euros	18,607	22,597	33,065	38,444	25,768	– 33.0
– IT e-commerce	th. euros	22,588	23,133	25,188	21,785	16,944	– 22.2
EBIT margin	%	3.5	3.7	4.2	4.2	3.1	
– IT system house & managed services	%	2.3	2.8	3.7	4.1	2.8	
– IT e-commerce	%	6.2	5.7	5.1	4.3	3.7	
EBT	th. euros	41,172	45,859	59,006	61,533	43,662	– 29.0
EBT margin	%	3.5	3.8	4.3	4.3	3.2	
Earnings after taxes	th. euros	29,286	29,608	40,959	45,428	34,258	– 24.6
Earnings per share	th. euros	1.38	1.39	1.93	2.14	1.64	– 23.4
Cash flow from operating activities	th. euros	28,123	26,866	41,993	49,941	46,665	– 6.6
Cash and cash equivalents ¹⁾	th. euros	48,178	36,710	52,300	77,638	94,977	22.3
Equity ratio	%	57.4	59.2	61.2	62.8	64.3	
Number of employees as of 31.12. ²⁾		3,908	3,888	4,250	4,405	4,354	– 1.2
– IT system house & managed services		3,239	3,077	3,303	3,450	3,443	– 0.2
– IT e-commerce		669	811	947	955	911	– 4.6

¹⁾ Incl. capital investments and securities

²⁾ Full-time employees, trainees, and employees on parental leave or employees doing military or civilian service

The five-year comparison on pages 198–201 provides an overview of all important key figures.

REVIEW BY QUARTER 2009

		1st quarter 01.01.– 31.03.2009	2nd quarter 01.04.– 30.06.2009	3rd quarter 01.07.– 30.09.2009	4th quarter 01.10.– 31.12.2009
Revenue	th. euros	318,870	322,619	323,305	414,513
EBITDA	th. euros	9,259	10,055	15,303	22,359
EBIT	th. euros	5,782	6,541	11,763	18,626
EBIT margin	%	1.8	2.0	3.6	4.5
EBT	th. euros	6,127	6,838	11,859	18,838
EBT margin	%	1.9	2.1	3.7	4.5
Earnings after taxes	th. euros	4,329	4,821	8,344	16,764

CONTENTS

TO OUR SHAREHOLDERS	04	Highlights 2009	
	06	Letter from the Executive Board	
	08	Report of the Supervisory Board	
<hr/>			
GROUP MANAGEMENT REPORT	15	Company	15 Group Structure 20 Business Activities 29 Corporate Management 32 Employees 37 Corporate Governance Report 50 Share 55 Takeover-Related Disclosures
	60	Framework Conditions	
	64	Earnings, Assets, and Financial Position	64 Earnings Position 77 Assets Position 82 Financial Position 85 Strategic Financing Measures 86 Judgments and Estimates
	90	Risk Report	90 Risk and Opportunity Management 95 Opportunities 99 Risks 108 Overall Risk Assessment
	109	Supplementary Report	
	112	Forecast Report	112 Framework Conditions 114 Performance of the Group 119 Overall Assessment
<hr/>			
CONSOLIDATED FINANCIAL STATEMENTS	123	Consolidated Income Statement	
	123	Consolidated Statement of Comprehensive Income	
	124	Consolidated Balance Sheet	
	126	Consolidated Statement of Changes in Equity	
	127	Consolidated Cash Flow Statement	
	129	Notes	
<hr/>			
	196	Audit Opinion	
	197	Responsibility Statement by the Executive Board	
	198	Five-Year-Comparison Bechtle Group	
	202	List of abbreviations	
	203	Glossary	
	207	Financial Calendar	
		Bechtle Group	

BECHTLE – IT SOLUTIONS



- 12 CLIENT MANAGEMENT
- 58 SERVER & STORAGE
- 62 NETWORKING SOLUTIONS
- 88 VIRTUALISIERUNG
- 110 IT SECURITY
- 120 BUSINESS APPLICATIONS

BECHTLE – WHAT MATTERS.

We are at home in the IT industry and have been so since 1983. To us, proximity is important. Therefore, our IT system houses serve our customers on site at more than 50 locations throughout Germany, Austria, and Switzerland. Our directors think and act as entrepreneurs and make decisions on an equal footing with their customers in a responsible, direct, and speedy manner. We keep up with the enormous technological pace in the industry. At the same time, we never lose sight of customer needs. We consider ourselves as a service provider, consultant, project manager, procurer, supplier, operator, initiator, confidant, and expert. In short: as a partner of our customers.

However, this is only one side of Bechtle.

We also market our more than 41,000 IT products with enthusiasm by direct sale – via online shops, catalogue, and telesales. With a special, tailor-made online procurement system in operation at our customers. We have trading companies in twelve European countries, and the number is on the rise. Our international presence is one of our success factors. After all, a “vernacular” approach is important in e-commerce, too. It is simply human. And that is how we run our business. The combination of these two segments – **IT system house & managed services** and **IT e-commerce** – is what makes our business model unique in the IT industry. Our 4,400 employees ensure its success with their experience, competence, reliability, and enthusiasm. We are living in exciting times and have done so ever since our company was established. At present, the profound change in the role of IT decision makers is what encourages us particularly. The current trend is based on the insight that information technology has an increasing share in the success of a business. For this reason, companies with a long-term focus endeavour to transform the cost-generating IT department into a business division that creates value.

And to do so, a partner is essential.

A general contractor with a comprehensive solution portfolio, for whom technology concepts and administrative processes form a single entity in the company, and who only knows one goal: to increase the economic benefit and the efficiency of the IT. A partner with a wide spectrum of expertise, advanced specialised competence, and many years of project experience. One who masters the procurement process perfectly and who has a matchless network of experts and partner alliances with all renowned manufacturers and who can take care of the IT operation – entirely or in part – while at the same time ensuring stable systems and secure data as well as sustainability of the IT infrastructure. One who is experienced, reliable, and stable in all aspects.

What matters: a strong IT partner. Today and tomorrow.

BECHTLE – IT SOLUTIONS



JANUARY

HP "Fast Growing" Award

In recognition of the growth rates of its business with HP products, Bechtle AG receives the Partner Award in the "Fast Growing" category from the manufacturer Hewlett Packard.

New guiding star: Vision 2020

The Executive Board and the Supervisory Board release the Bechtle Vision 2020, which targets a revenue increase to 5 billion € and an expansion of the workforce to 10,000.



FEBRUARY

Identify opportunities. Exploit opportunities!

300 executive staff members of the Bechtle Group participate in the traditional kick-off event for the new financial year. The motto of the strategy conference 2009 represents an encouragement for the entire year: Identify opportunities. Exploit opportunities!

Triple award from VMware

The manufacturer of virtualisation solutions honour Bechtle with awards for creativity, revenue growth, and acquisition of new customers in the field of virtualisation. Moreover, Bechtle is VMware's premier partner with the highest revenue in EMEA.

MARCH

Fifth Bechtle competence centre day

About 1,100 visitors attend Bechtle's in-house exhibition, which featured information about the latest developments in the field of IT infrastructure within the scope of about 40 booths and more than 100 lectures. This is the largest service exhibition of Bechtle AG to date.

Bechtle direct in Portugal

With its new location in Portugal, Bechtle increases the number of European countries in which it is present with its own trading companies to 11. From Aveiro, Bechtle direct offers Portuguese companies and authorities about 37,000 IT products via Web shop, catalogue, and telesales.

IT partner of the Bundeswehr

Bechtle sign a contract in the two-digit million range for information technology and services over a term of four years. The contract covers the supply of IT components and services for the German armed forces and associated federal authorities.

Bechtle data protection symposium

The subject of data protection and data security generate a lot of publicity and media coverage. Bechtle provide about 170 representatives of the public sector with information about how this sensitive subject can be handled in a professional and secure manner.



APRIL

Expansion of Bechtle Platz 1

Bechtle expand the capacity of the group headquarters to more than 1,000 workplaces. The office building was enlarged from 14,500 m² to approximately 19,000 m², and the storage space of the logistics building was expanded by 2,000 m² to about 13,450 m².

IBM truck in Neckarsulm

During its road show "INNOVATION on TOUR" across Europe, the blue IBM truck also stopped at Bechtle Platz 1. Customers have the opportunity to experience the latest technology – especially for medium-sized companies – live and up close.

Adobe Channel Partner of the Year

Bechtle was elected the fastest-growing partner of the software manufacturer Adobe. The award especially honours the excellent results in Adobe's licence and box product segment.

MAY

Bechtle IT Forum NRW

A total of 13 IT system houses invite to the Bechtle IT Forum NRW (North Rhine-Westphalia) in Wuppertal. Together with 36 partners and manufacturers, they present technical innovations and tried-and-tested concepts, providing a platform for competent IT-related exchange.

Bechtle Vienna

Following the integration of Vienna-based supportEDV GmbH in the Bechtle Group, the company was renamed Bechtle GmbH. In September 2008, Bechtle AG had acquired 100 per cent of the shares in the Austrian IT system house.

Participation in the "Efficient State" convention

As a specialist for green IT, Bechtle participates in the central "Efficient State" convention. The energy-efficient IT infrastructure implemented by Bechtle and IBM at the computing centre of the Federal Ministry for the Environment is a practical example.

Trollinger marathon

With a lot of ambition and team spirit, Bechtle is in the starting blocks of the ninth Trollinger marathon and half-marathon with an international team of about 70 runners.



JUNE

Foundation professorship at Heilbronn University

Together with other local companies and Stifterverband für die deutsche Wissenschaft e.V., Bechtle furnishes funds totalling 450,000 € for the foundation professorship "Business Economics and Logistics" at Heilbronn University over a period of five years.

Annual General Meeting

Close to 70 per cent of the equity capital were represented by about 500 shareholders at the Annual General Meeting. The participants approve of all agenda items and a dividend payment of 0.60 € per share.

20

01

02

03

04

05

06

JULY

Economic forum of the CIC

Together with Joachim Schielke, head of BW-Bank, and Gerhard Stratthaus, former Minister of Finance of the state of Baden-Württemberg, Bechtle's Executive Board Spokesman Dr. Thomas Olemotz, representing the interest of the business sector, discusses the subject "Financial Crisis – Economic Crisis – Social Crisis".

Synergies between ARP and Bechtle

Bechtle bundles all logistics processes and administrative tasks of the German e-commerce subsidiary ARP Datacon in Neckarsulm. In Dietzenbach, Hesse, the sales team remains unchanged.

07



08



SEPTEMBER

High training rate

At Bechtle almost 90 young people start their training. Currently, Bechtle has more than 260 trainees in about 20 professions. Bechtle thus keeps the training rate at a high level as in previous years.

Excellent junior staff

Under the motto "Cook IT", Executive Board Spokesman Dr. Thomas Olemotz invites the 16 most successful trainees who graduated in 2009 to the company headquarters in Neckarsulm – to cook together.

09



www.bechtle.de

10



NOVEMBER

Conclusion of the virtualisation road show

Together with the vendor partners HP, Intel, and VMware, Bechtle travels across Germany from September to November, focusing on the hottest subject in the industry: virtualisation.

"Modern State" exhibition

Together with its partners HP, HDS, IBM, Novell, Acer, Overland, and Hitachi, Bechtle participates in the "Modern State" exhibition in Berlin. For 13 years, this exhibition has served as a meeting point for specialists and executives of the federal, state, and municipal authorities from all over Germany.

11



12



09

AUGUST

IT partner

Under two framework agreements concluded with Dataport, Bechtle will henceforth equip the IT workplaces of the public administration in the states of Schleswig-Holstein, Hamburg, and Bremen as well as the tax administration in Mecklenburg-Western Pomerania. Furthermore, the two companies have entered a technology partnership.

Good marks

To identify the most popular system houses among customers, the IT industry journals ChannelPartner and Computerwoche request users to rate the system houses they work with. Bechtle improves from 2.00 in the prior year to 1.92, thus successfully retaining its place in the top group.

Shareholders' days

For the fourth time, Bechtle invites shareholders to participate in the shareholders' days at group headquarters in Neckarsulm. The shareholders are thus able to get a personal impression of their company on site.

OCTOBER

New online shop

Bechtle goes online with its technically and visually fully revised e-commerce shops in 11 countries. The shops now offer more efficiency, more intuitive menus, and a more attractive design.

DECEMBER

Inauguration of Bechtle-Allee 1

After a construction period of only nine months, Bechtle Finance moves into a new company building in Gaildorf. With about 2,000 m² of office area, the modern cube provides space for approximately 100 employees.

Record parcel output

Year's final spurt at the central Bechtle logistics: December holds the annual record of 119,395 shipped parcels. For the first time, Bechtle is able to exceed the one-million mark for the number of parcels shipped in one year. In 2009, a total of 1,038,919 parcels were shipped from the recently expanded warehouse.



Ladies and gentlemen:

We have completed an extraordinary year. A year that is sure to be assigned to the history books. It appears that everything has been said on the subject of the crisis. Still, it remains to be seen how effective the insights gained and lessons learned during the greatest economic crisis since World War II will prove to be.

Doubtlessly, 2009 was challenging for us all. We had to act in a discreet, socially compatible, determined, and efficient manner. Truly a difficult balance! The result was all the more remarkable:

“Our” Bechtle did very well in an extremely difficult environment. With a vigorous final spurt, we even managed to close the fourth quarter with record revenues. In terms of earnings, we also succeeded in gradually narrowing the gap separating us from the prior year, which was the best fiscal year in the history of our company. I believe that we have reason to be proud of this achievement.

The surprisingly good year-end business was preceded by a strict cost discipline and a prudently arranged earnings improvement programme. In line with our decentralised structure and different regional circumstances, we implemented diverse measures. All along, we focused on Bechtle’s long-term development and sustainability. Accordingly, certain locations were forced to take severe steps due to the economic situation, such as the flexible use of short-time work. In contrast, other locations were given every help in expanding their team where necessitated by business.

From our perspective, the past fiscal year yielded three important conclusions:

Firstly, our business model with its unique combination of system house services and e-commerce proved to be a distinctive competitive factor of noteworthy stability. We were even able to use the weak economy to remarkable effect to become even stronger. Interestingly, this did not happen by means of acquisitions, but under our own steam. In view of our history and the media coverage of numerous insolvencies and acquisitions in our industry, many observers were doubtlessly surprised by this development. We have no doubt that in 2009, refraining from acquisitions was the wisest course. This is especially because of the “volatile assets” that are acquired along with a company: expertise and good customer relations. When a company is ailing, there is reason for caution, as the best employees are usually the first to jump ship. At the same time, difficult times put the confidence of the customers to the test. Therefore, vigilance was a must.

Secondly, the past year also showed that traditional values represent clear competitive advantages. This reaffirmed the effectiveness of our corporate culture, which has been rooted in Bechtle's corporate philosophy for more than two decades. Our business approach is and will continue to be characterised by four values: rootedness, steadfastness, reliability, and the ability to inspire. More than ever, our customers appreciate the commitment behind each of these values.

Thirdly, it became clearer than ever how much attention was paid to key financials even beyond the capital market. Bechtle boasts a solid equity ratio of more than 65 per cent, an earnings ratio of 3.2 per cent – an excellent result in this industry – and a comfortable liquidity of more than 125 million euros. In short, Bechtle is a very healthy, solidly financed business. In this difficult stretch, we thus signalise that we are and will continue to be a strong, reliable partner for our customers. Our capital resources also enable us to make use of expansion opportunities under our own steam. In 2009, we were able to enter the Portuguese market, the eleventh country in which we are active with our trading brand *Bechtle direkt*, and we made the necessary preparations for the establishment of a new company in Poland. In the IT system house segment, Dortmund has been added to our exhaustive location network in Germany.

Furthermore, our financial base allows us to let our shareholders duly participate in the company's success. Therefore, the Supervisory Board and the Executive Board propose to the Annual General Meeting to distribute a stable dividend of 0.60 euros per share. In this way, we particularly wish to express our gratitude to our shareholders who stick with Bechtle even and especially in times of economic hardship.

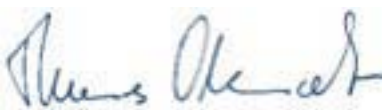
Ladies and gentlemen,

At Bechtle, the past year was shaped by the motto "Identify opportunities. Exploit opportunities!" Under this motto, we did not only endeavour to take advantage of every opportunity to reinforce our market position as a reliable, strong IT partner and gain further market shares; we also wanted to show our customers chances to emerge from the difficult economic situation even stronger with a stable, sustainable IT. Our employees have done a good job in this respect. Looking at this team achievement, I have come to the following conclusion:

Once again, I have realised how much a company "lives" on its employees. What is unique about us is not our products, but the way how we approach customers, how we convince them of our competence, and how we attract them to Bechtle. This is our decisive success factor in a highly competitive market. In the past year, the commitment of all colleagues was outstanding and deserves credit. The entire Executive Board greatly appreciates this collective effort.

In view of the uncertain economic development, it is yet too early to formulate any quantitative targets for 2010. Nevertheless, at Bechtle we are all very optimistic about the future. We have passed the critical test. We now need to utilise the insights we have gained in the past year. Being firmly convinced that we have the perfect basis for a bright future, we look toward the new decade with enthusiasm.

Yours sincerely,



Dr. Thomas Olemotz
Executive Board spokesman



REPORT OF THE SUPERVISORY BOARD

The fiscal year 2009 was the year with the most difficult economic framework conditions Bechtle ever experienced. For the first time since its IPO, Bechtle AG suffered a decline in revenues and earnings. Therefore, the Supervisory Board made a special effort to closely supervise and support the Executive Board and the company.

In the fiscal year 2009, the Supervisory Board meticulously performed all duties imposed on it by law and as required by the articles of incorporation. In particular, this included the extensive auditing and controlling obligations as specified by the jurisdiction in recent years. We regularly provided the Executive Board with advice concerning the administration of the group and monitored the company's management and development. We were directly involved at an early stage in all decisions of material importance to the company. In this context, the earnings support measures implemented by the Executive Board were of central importance. Apart from this, the Supervisory Board intensively examined new laws such as the Act Implementing the Shareholders' Rights Directive (Gesetz zur Umsetzung der Aktionärsrechterichtlinie – ARUG), the Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz – BilMoG), and the Act on the Appropriateness of the Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung – VorstAG).

The Executive Board regularly, duly, and comprehensively informed the Supervisory Board orally and in writing about the corporate planning and strategy, the business performance, and the group's position as well as the risk situation and the risk and opportunity management.

In addition to the personal contact with individual members of the Supervisory Board, the Executive Board informed the Supervisory Board as a whole about the development of incoming orders, revenue, contribution margin, earnings before taxes, and headcount of the group, segments, and individual subsidiaries on a monthly basis. Moreover, the past quarter and the short to medium-term perspectives were elaborated at quarterly meetings.

Furthermore, the Supervisory Board actively examined the company. At its meetings, the Supervisory Board regularly reviewed the company's internal analyses to monitor the business, revenue, and earnings performance of the group and its segments as well as the financial and assets position, the implementation of the strategy, the risk situation, the staff development, and the state of the earnings support measures implemented in the reporting period. The Chairman of the Supervisory Board and the first Vice-Chairman visited individual subsidiaries on site, a tried-and-tested approach that had already been used in prior years. In direct meetings with the directors, they gained a detailed overview of the companies' operations and information on orders and projects of special significance.

The independent auditing and monitoring measures by members of the Supervisory Board especially included the periodic review of the income statements of individual subsidiaries, intensive screening for anomalies, a target/actual comparison of key performance indicators, and participation in strategy meetings, directors' conferences, and risk management sessions.

Thanks to the timely and detailed information received from the Executive Board and the independent audits, the Supervisory Board was able to comply fully with its monitoring duties. It was not necessary to review accounts and documents as defined in Section 111 (2) of the German Stock Corporation Act (AktG) beyond the scope of the audit of the Annual Financial Statements.

Meetings and central issues

In the reporting period, the Supervisory Board held four plenary sessions: on 5 February, 17 March (balance sheet meeting for the Annual Financial Statements 2008), 21 July, and 20 October. Extraordinary meetings did not need to be convened. Even between the meetings, the Spokesman of the Executive Board informed the Supervisory Board about any projects that were of special importance to the company or that were urgent. Where necessary, resolutions were adopted via circular procedure.

All measures and transactions that required the approval of the Supervisory Board or its committees were discussed in detail at Supervisory Board and committee meetings. At its balance sheet meeting, the Supervisory Board adopted the Annual and Consolidated Financial Statements of the prior year, approved the proposal for the appropriation of retained earnings, and released the business plan for 2009.

In the past fiscal year, the most important subjects discussed included:

- the group planning for 2009;
- the economic situation of the Bechtle Group;
- the earnings support measures implemented by the Executive Board;
- the resolution of the Executive Board to terminate the share buy-back programme and retire 200,000 shares;
- the examination of potential acquisition candidates;
- the development and further expansion of the public sector and managed services divisions as well as
- the consistent continuation of the internationalisation in IT e-commerce.

Furthermore, the Supervisory Board checked the efficiency of its work and came to the conclusion that the work is being done efficiently.

Committees

The Supervisory Board has formed three committees. The audit committee held meetings on 4 February, 16 March, 13 May, 10 August, 22 September, 19 October, and 10 November. In 2009, it dealt primarily with the quarterly and interim reports, preliminary audits of the Annual and Consolidated Financial Statements, and the review of the internal audit system and risk management system, especially in view of the macro-economic situation. The meetings also focused on the monitoring of the auditors' independence and the agreement of the audit fee. Moreover, transactions subject to approval – such as long-term contracts – and corporate governance issues were also addressed at the meetings. Apart from resolutions adopted at the meetings, the committee also adopted resolutions via circular procedure.

In 2009, the personnel committee came together at two meetings on 26 February and 15 December. Its meetings mainly focused on the compensation system for the Executive Board, especially with respect to the requirements of the German Corporate Governance Code and the new provisions outlined in the Act on the Appropriateness of Management Board Compensation (VorstAG), which came into force on 5 August.

As in previous years, the arbitration committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG) did not need to be convened in 2009.

The chairmanship of the committees did not change in the reporting period: Dr. Jochen Wolf continued to chair the audit committee, and Gerhard Schick served as chairman of the personnel committee. At the plenary sessions, the Supervisory Board was informed in detail about the work of the two committees.

The Corporate Governance Code also recommends the formation of a nomination committee that is staffed exclusively with shareholder representatives and that proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. The Supervisory Board of Bechtle AG has not formed a nomination committee, as it does not consider such to be necessary in view of the board's current size and staffing.

Staffing of the Supervisory Board and Executive Board

In 2009, the staffing of the Supervisory Board did not undergo any changes.

Likewise, the Executive Board, which was newly appointed on 1 January 2009, did not undergo any changes in the reporting period 2009.

Corporate Governance and Declaration of Conformity

The Supervisory Board intensively reviewed the set of rules of the Corporate Governance Code. One of the main subjects concerned the amendments in the version of 18 June 2009. To ensure compliance with the German Corporate Governance Code, the Supervisory Board checked the implementation of the recommendations. In February 2010, the Supervisory Board and the Executive Board renewed the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). Deviations from the recommendations of the Government Commission are explained in detail in the Corporate Governance Report. All declarations of conformity and other documents concerning the corporate governance have been made permanently available to the shareholders on the Internet under www.bechtle.com/corporate-governance.

Audit of the Annual and Consolidated Financial Statements 2009

The Annual General Meeting designated the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, (formerly Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft) Heilbronn, Germany, as auditors of the Annual and Consolidated Financial Statements for the fiscal year 2009. Following the placement of the order by the Supervisory Board, the auditors audited the Annual Financial Statements of Bechtle AG, the Consolidated Financial Statements, and the Management Report for Bechtle AG and for the Bechtle Group for the fiscal year 2009 including the accounts and the risk management and early detection system and awarded unqualified auditor's certificates. The Consolidated Financial Statements of Bechtle AG have been prepared according to IFRS. The auditors have confirmed that these Consolidated Financial Statements fulfil the conditions for exemption from the preparation of financial statements according to German law. The audit also included the monitoring system for early identification of risks, which is to be set up by the Executive Board, and the internal audit and risk management system with respect to the accounting process. The auditors confirmed that the installed systems are suitable.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of retained earnings, and the auditor's audit reports were duly sent to the members of the Supervisory Board and discussed in detail in the audit committee and in the board as a whole. The auditor also participated in the balance sheet meeting on 16 March 2010 and reported in detail about the main focus and key results of his audit. He also provided additional information and answered questions.

After its own audit of the Annual Financial Statements, the Consolidated Financial Statements, the Management Report, and the Group Management Report, the Supervisory Board agreed with the result of the auditor's audit and approved the Annual Financial Statements and the Consolidated Financial Statements according to the recommendations of the audit committee at the balance sheet meeting on 16 March 2010. Thus, the Annual Financial Statements of Bechtle AG for the fiscal year 2009 have been adopted pursuant to Section 172 of the German Stock Corporation Act (AktG). Based on its own audit, the Supervisory Board agrees to the proposal of the Executive Board for the appropriation of retained earnings. The Supervisory Board approves the Management Report and the Group Management Report of the Executive Board and considers the proposal for the appropriation of retained earnings to be appropriate.

The Supervisory Board is satisfied with the performance of Bechtle AG in the extremely difficult fiscal year 2009. The measures implemented by the Executive Board were suitable and purposeful. In particular, they strengthened the corporate strategy with its sustainability-oriented long-term focus. The company is well equipped for the current fiscal year, which remains very demanding. The long-term planning for the group as outlined in the Vision 2020 is both a requirement and a goal for all involved.

The Supervisory Board would like to express its thanks and appreciation to the members of the Executive Board, the directors of the group companies, and all employees for their work and outstanding commitment. In the past fiscal year, their diligent efforts yielded a good overall result.

On behalf of the Supervisory Board



Gerhard Schick
 Chairman

Neckarsulm, 16 March 2010



A blurred photograph of an office environment. In the background, a man in a light-colored shirt and dark tie stands with his arms crossed. In the foreground, another man in a white shirt and dark tie is seated at a desk, looking towards the camera. The background features a light blue wall and a green chalkboard.

Proximity is in demand. Directly on site and available in no time. We know and understand each other. We speak the same language. We communicate at eye level in a fair, respectful, and cooperative way. We are there when we are needed.

We have the right access.

At more than 50 system house locations throughout Germany, Austria, and Switzerland. In twelve European countries with our direct sales. A combination that provides us with stability, growth, and development potential. This combination balances and complements us, and makes us a strong partner; locally, nationally, and internationally.

GROUP MANAGEMENT REPORT

Company

- 15 Group Structure
- 20 Business Activities
- 29 Corporate Management
- 32 Employees
- 37 Corporate Governance Report
- 50 Share
- 55 Takeover-Related Disclosures

Framework Conditions

- 60 Macroeconomic Environment
- 60 Industry
- 61 Overall Assessment

Earnings, Assets, and Financial Position

- 64 Earnings Position
- 77 Assets Position
- 82 Financial Position
- 85 Strategic Financing Measures
- 86 Judgments and Estimates

Risk Report

- 90 Risk and Opportunity Management
- 95 Opportunities
- 99 Risks
- 108 Overall Risk Assessment

Supplementary Report

- 109 Important events after the balance sheet date

Forecast Report

- 112 Framework Conditions
- 114 Performance of the Group
- 119 Overall Assessment

COMPANY

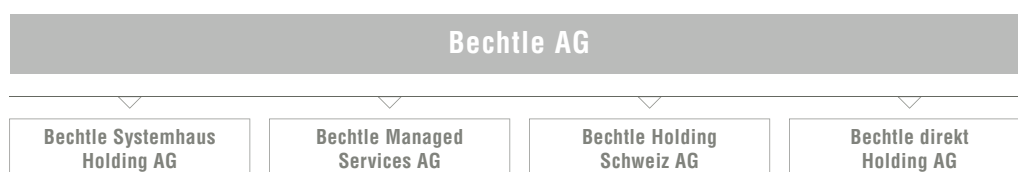
GROUP STRUCTURE

In the 2009 reporting period, the high geographic coverage and decentralisation of the system houses as well as the pan-European orientation in e-commerce contributed substantially to the business performance of Bechtle. Supported by lean central functions of Bechtle AG and efficient logistics, this structure is consistently aligned with the corporate strategy.

Legal structure

The parent and holding company Bechtle AG, headquartered in Neckarsulm, Germany, is responsible for strategic business planning and central duties in the fields of finance and controlling, investor relations, IT computing centre, human resources, quality management, legal and compliance, and corporate communication. The Bechtle Academy serves as the central training base for the employees and for staff development in the group. The central functions purchasing, warehouse, product management, and catalogue production are organised under Bechtle Logistik & Service GmbH, which also belongs to the holding.

HOLDING STRUCTURE OF BECHTLE AG



Under Bechtle AG, the group has implemented another level of holding companies in which the business fields and brands of the two reporting segments IT system house & managed services and IT e-commerce are bundled:

- Bechtle Systemhaus Holding AG, Neckarsulm, Germany, supervises all activities of the IT system houses in the northern/eastern, central, and southern regions of Germany and in Austria;
- Bechtle Managed Services AG, Neckarsulm, Germany, supervises all outsourcing services;
- Bechtle Holding Schweiz AG, Rotkreuz, Switzerland, is responsible for the activities of the Swiss IT system houses, the trading activities of the *ARP Datacon* companies, and the licensing business of the *Comsoft direct* companies, and
- Bechtle direkt Holding AG, Neckarsulm, Germany, supervises the trading activities of all *Bechtle direkt* companies.

The legally independent subsidiaries are allocated to the said second holding level. Most of the German and Austrian subsidiaries are structured as “GmbH” or “GmbH & Co. KG”, and most of the Swiss subsidiaries as “AG”. The legal structure of the companies in other countries is similar to that of the “GmbH”. Bechtle AG holds 100 per cent of the interests in all subsidiaries, either directly or by means of investment companies.

**Lean business processes thanks
to holding structure**

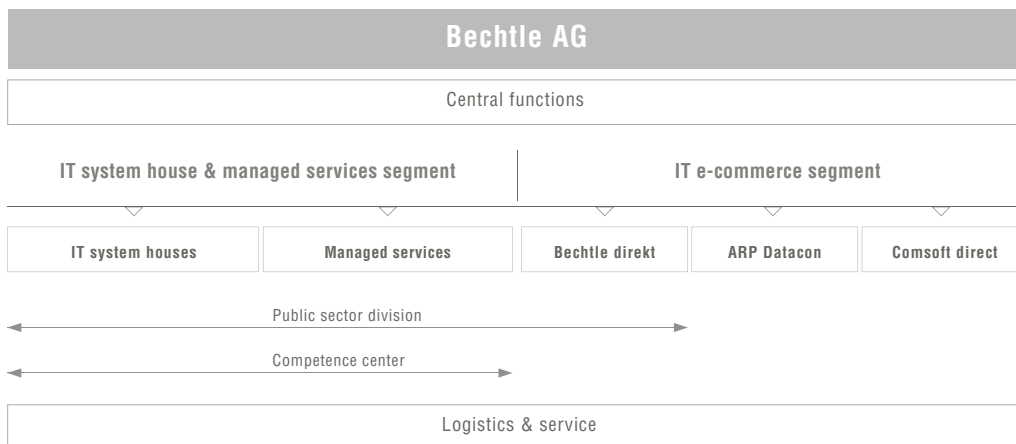
The objective of this two-level holding structure is to relieve the decentralised subsidiaries of the bulk of administrative and cross-company work and bundle competencies and resources, thereby realising synergies and achieving economies of scale in the fields of purchasing and logistics. Furthermore, this structure is conducive to the executive supervision of the further growth of Bechtle AG.

By structuring the group into a strategic holding organisation, Bechtle AG has established an important precondition for the company’s successful future development. Nevertheless, the legal structure of the Bechtle Group does not yet fully map the company’s management and executive structure. The executive structure is predominantly aligned with the needs of the operational business and the economic framework conditions of the markets. In the medium run, the legal structure is to be largely synchronised with the management structure.

Management structure

In the reporting period, the executive structures of Bechtle AG were further adapted to the size of the company and market requirements by means of the establishment of additional executive positions and the appointment of division heads. Apart from strengthening the competitive situation in view of the difficult economic environment, this particularly served three purposes: firstly to secure Bechtle’s strategically important decentralisation as one of the key business principles in the system house segment, secondly to establish scalable, modular structures that are clearly tuned to the company’s future growth areas, and thirdly to implement the executive organisation required for the further growth of Bechtle AG.

MANAGEMENT STRUCTURE OF BECHTLE AG



The hierarchical separation of the strategic group management of the Executive Board from the leadership of the operational units remains the key characteristic of the management structure. In this way, Bechtle takes the greatly increased leadership responsibilities into account and ensures high efficiency in the steering and management of the group. The two business segments IT system house & managed services and IT e-commerce are not only marked by divergent ways of thinking and structures, they also apply different development strategies for their expansion. By means of the expansion of the holding board and the new distribution of the responsibilities implemented as of 1 January 2009, Bechtle AG has taken this fact into account by allocating the two segments to separate Executive Board members.

In the IT system house & managed services segment, Bechtle is present in Germany, Austria, and Switzerland with more than 50 locations. In the reporting period, the ongoing expansion of the company's pan-European positioning in the IT e-commerce segment was marked by preparations for the market entry in Eastern Europe. In April 2010, Bechtle plans to start operations in Poland with its own trading company.

Market entry in Poland

The operational units are headed by division heads. Apart from the cross-segmental public sector division, the division heads of the IT system house & managed services segment are responsible for the activities of the Bechtle IT system houses in the northern/eastern, southern, and central regions of Germany, Switzerland, and Austria as well as for managed services. In the IT e-commerce segment, they uniformly control the trading business of the *Bechtle direkt* and *ARP Datacon* brands and the licensing business of the *Comsoft direct* companies.

The central logistics & service division remains under the supervision of the Spokesman of the holding board, as do the other central functions finance & controlling, corporate communication & investor relations, IT, human resources, quality management and legal affairs (see Organisational Structure, inside back cover).

In the reporting period, Bechtle restructured the German subsidiary of ARP Datacon AG in the IT e-commerce segment. The objective was to use synergies in the Bechtle Group more effectively. For this purpose, the entire logistics unit was relocated from the ARP location Dietzenbach to the central Logistics & Service department in Neckarsulm.

Locations

The group headquarters of the Bechtle Group is located in Neckarsulm, Germany. Apart from Bechtle AG, the central units are also situated here. The finance department is located in Gaildorf, Germany.

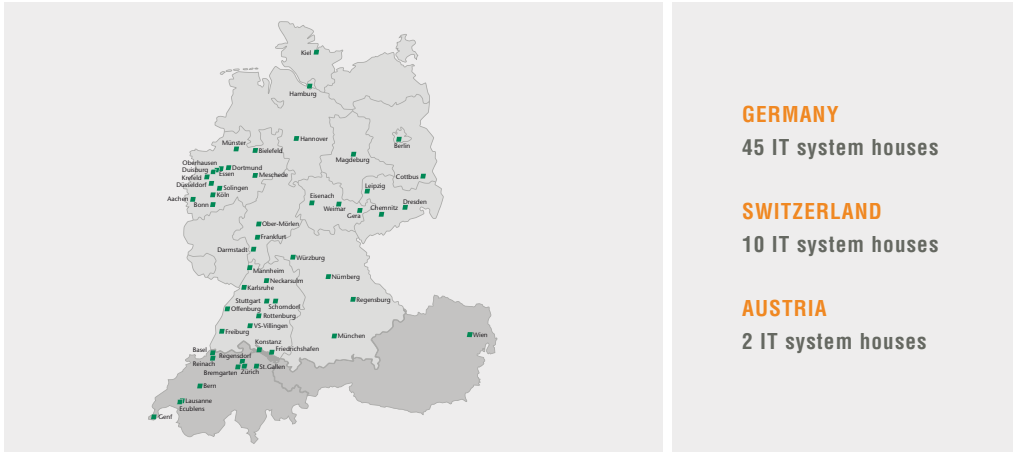
In the consulting-intensive service business of the IT system house & managed services segment, on-site customer contacts are vital. For this reason, Bechtle has a dense network of IT system houses in more than 50 locations in Germany, Austria, and Switzerland. In this structure, the directors of the operating subsidiaries act in the capacity of independent entrepreneurs with a high level of personal responsibility in their local markets. In this context, a consistent performance-oriented compensation system supports and promotes the entrepreneurial activities of the directors.

At the time of the report's preparation, the group had further strengthened its nationwide market position in Germany by establishing a new system house location in Dortmund. Bechtle had previously had twelve system houses in the federal state of North Rhine-Westphalia. In addition to the range of classic system house services for predominantly medium-sized customers, the group plans to further expand its competence in the region's public sector.

The wide geographic coverage achieved by the Bechtle Group requires the continuous monitoring of the efficiency and effectiveness of the location structure. However, no locations were closed down or merged in this connection in the past financial year. At the time of the report's preparation, the group had 45 IT system houses in twelve federal states in Germany. In Switzerland, Bechtle AG has ten system house locations in eight cantons and two in Vienna, Austria.

Dense network of IT system houses

SYSTEM HOUSE LOCATIONS OF BECHTLE AG



Under its *Bechtle direkt* brand, Bechtle AG has IT e-commerce subsidiaries in eleven European countries. In April 2010, Poland will be added as the twelfth country. The growth potential and the socioeconomic framework conditions were some of the reasons for the group's decision to enter the Polish market. Bechtle is present in five countries with its trading brand *ARP Datacon* and in five countries with *Comsoft direct*.

European presence
in e-commerce

E-COMMERCE LOCATIONS OF BECHTLE AG



Approximately 80 operating companies and investments, which are listed on page 188 f along with the shareholding details, are affiliated with Bechtle AG. The majority of the IT system houses, branches, and service and trading companies are located in Germany and Switzerland. The largest of the almost 70 locations in Europe is at the same time the location of the company headquarters in Neckarsulm, Germany, with about 800 employees.

BUSINESS ACTIVITIES

With more than 50 IT system houses in Germany, Austria, and Switzerland and trading companies in twelve countries, Bechtle AG, established in 1983, is one of Europe's leading IT e-commerce providers. Bechtle offers its 56,000+ predominantly medium-sized industrial, service-sector, and public-sector customers a full cross-vendor range of IT infrastructure and IT operation solutions from one source.

Segments

Bechtle AG runs its operations under the two segments IT system house & managed services and IT e-commerce. In the IT system house & managed services segment, Bechtle provides customers with IT strategy consulting services, hardware and software, project planning and rollout, system integration, IT services, training, and complete IT operation. The IT e-commerce segment comprises the group's Internet, catalogue, and phone-based trading activities. With the *Bechtle direkt*, *ARP Datacon*, and *Comsoft direct* brands, Bechtle applies a multiple-brand strategy in this segment.

Multi-brand strategy
in e-commerce

Service spectrum and processes

IT system house & managed services

The Bechtle Group is a service and trading enterprise. Bechtle's service portfolio in the IT system house & managed services segment spans the entire IT value chain. The service portfolio is characterised by the fact that Bechtle is a "one-stop provider". Each solution is assembled according to customer needs and wishes. By means of the individual composition of an offer from various services in combination with hardware and software, Bechtle is capable of elaborating an individual solution for each and every customer. The product portfolio is subject to ongoing review and adaptation to market and customer requirements. In the reporting period, the group mainly expanded its range of managed services and its market position in the public-sector business.

» Bechtle IT solutions

In the IT solutions unit, more than 1,600 service team members, certified specialists, and system engineers offer expertise, advanced specialised competence, many years of IT project experience, and the ability to rapidly implement individual requirements. Bechtle has bundled specialist know-how on complex solutions in supra-regional competence centres. More than 200 certifications of all renowned manufacturers guarantee premium qualification in Bechtle services. Bechtle IT solutions feature a fully integrated portfolio focusing on the following subjects:

» Client management

The offer ranges from IT architecture consulting to client lifecycle management with automated processes from procurement and rollout to the end of life. Bechtle has certified specialists and rollout managers for the migration to Windows 7. Bechtle offers innovative print solution concepts based on full-service or click-price models.

» Server & storage

These services comprise vendor-independent consulting, planning, and operation of virtualised server and storage systems by means of automated solutions. With a suitable infrastructure for power supply and cooling, active energy management, and efficient, scalable server and storage systems as well as energy-efficiency consulting prior to the implementation of the measures, Bechtle helps cut energy costs.

» Networking solutions

The networking solutions unit comprises scalable solutions for LAN and unified communication infrastructures. From network analysis to network operation, certified Bechtle experts ensure high network infrastructure availability and efficiency. Together with leading manufacturers, Bechtle sells integrated concepts for conference solutions, IP communication, messaging, mobile applications, and telepresence related to the subject of collaboration.

» Virtualisation

Bechtle offers virtualisation solutions for servers, storage, clients, and applications, providing the full service range from consulting to operation. Based on conventional consolidation and optimisation in terms of availability, security, and management, Bechtle enables its customers to virtualise their data centres to the highest degree possible. The focus is on subjects like automation, SLA and process management, and self-services.

» IT security

Bechtle has highly qualified IT security specialists that are also very competent in the design of secure LAN backbones and WANs. The certified IT security experts plan, implement, and supervise IT security infrastructures. Moreover, Bechtle offers consulting services and solutions for corporate data protection and IT security structures. Qualified data protection officers with practical experience, IT security officers, and legal experts take care of the consulting, design, and implementation in a competent and reliable manner.

» Business applications

With several locations, Bechtle business applications is an important software and consulting partner for medium-sized enterprises. Business applications of Bechtle include solutions involving Microsoft Dynamics, business intelligence, document management, groupware/Lotus Notes/Domino solutions, and SAP.

Customer-specific managed services

By means of managed services, Bechtle assumes the responsibility for defined operating tasks related to the customers’ IT. In this context, fine-tuned service level agreements ensure the availability of the IT infrastructure. Bechtle guarantees optimum operability of the IT systems over the entire life-cycle with remote operation or on-site supervision of servers, clients, printers, and networks on the basis of standardised operating concepts and holistic user services for the customer IT infrastructure. The technical solutions are complemented by individual financing models such as leasing.

MANAGED SERVICES PORTFOLIO

Bechtle Managed Services				
Installation Centre	Field Services	Service Desk	Remote Management	Onsite Services
Rollout Services	Hardware recovery	Single Point of Contact	24 x 7 Remote Monitoring	Outtasking, Outsourcing
Client Installation	IMAC Services	User Help Desk 1st & 2nd Level	2nd Level Remote Support	Expert Services
Server Installation	Filial Support	Expert Help Desk	Remote Services	Service & Transition Management

Bechtle Installation Centre

The installation centre offers all possibilities for the timely and competent realisation of customer requirements – from individual installations to nationwide rollouts at a rate of up to 1,000 systems a day.

Bechtle Field Services

With the field services, Bechtle offers a wide range of warranty and customer services that exceed the statutory warranty obligation. In order to ensure optimum deployment control for this service, all reports are centrally recorded on a 24/7 basis and forwarded to approximately 300 engineers. This enables an on-site service with a maximum reaction time of two hours.

Bechtle Remote Services – Service Desk and Remote Management

A company’s IT infrastructure must work smoothly. For this purpose, Bechtle offers modular solutions that can be combined optimally with the on-site services rendered at the customer’s location. With its service desk, Bechtle serves as the central contact point, taking care of defect reports and service requests. Bechtle’s remote management monitors and operates IT infrastructure systems in the fields of server and storage, LAN/WAN, firewall, and security. The objective of the continuous monitoring, documentation, and troubleshooting is to provide maximum availability of the IT infrastructure. The modular solution packages offer multi-tier service level agreements perfectly tuned to customer needs.

Bechtle Onsite Services

The Bechtle onsite services support the service teams at the customer on site on a permanent basis under outtasking and outsourcing agreements. The onsite services are rendered by local service provider teams that did specialise in the requirements of the particular customer. Furthermore, the customer can outsource his entire IT and have the IT processes be provided by Bechtle.

Bechtle Medium-Sized Business Concept

Bechtle has developed the Bechtle medium-sized business concept (Bechtle Mittelstands-Konzept – BMK) especially for the needs of local medium-sized businesses. The growing dependence on IT is accompanied by a growing risk of major financial losses in the event of failures. Small and medium-sized companies often lack the resources needed to cover all specialised IT areas. At the same time, legal requirements are increasing as well as the complexity of IT systems. The BMK addresses these challenges. With this offer, Bechtle shoulders the entire IT responsibility for companies with up to 200 PC workstations at a fixed monthly fee. At affordable costs, customers benefit from state-of-the-art technology and guaranteed professional, fail-safe IT operation.

Competence Centres and Training Centres

The competence centres constitute an important pillar of Bechtle’s service portfolio. The market has a greater demand for particular services. In order to be able to offer customers the latest expertise for these services, the Bechtle Group bundles this know-how in competence centres. To accommodate market trends and customer requirements more effectively, Bechtle has pushed the focus of the core business fields ahead, increasing the number of competence centres from twelve in the past reporting period to thirteen. In their capacity as internal service units, these competence centres render services for all locations.

**Competence centres
 bundle group expertise**

The custom-tailored seminar concept of the 19 Bechtle training centres in Germany is precisely tuned to the needs of the market. The offer covers a wide spectrum, with more than 10,000 seminar dates for 400 hot IT-related topics. For customers with several branches, this presence enables uniform training on site.

IT e-commerce

As a specialised IT reseller, Bechtle's IT e-commerce segment offers the full range of more than 41,000 common IT products. Within the framework of *ARP Datacon*, the group also sells products under its own label.

The bios shops (bios® = Bechtle Information & Ordering System) are a special feature of *Bechtle direkt*. These Web-based customer shops contain an individually configured product offer. In this way, bios customers can ensure uniformity of the IT infrastructure in all purchase orders. As of the end of 2009, *Bechtle direkt* had implemented about 21,000 bios accounts at customers.

In the highly process-dependent IT e-commerce segment, Bechtle has established lean workflows that are of great significance to the success of this segment. To a certain extent, the underlying processes are even part of the actual service. For example, many of the purchase orders in IT e-commerce are processed according to the fulfilment principle: Bechtle forwards incoming purchase orders directly to manufacturers or distributors, who then ship the goods to the customers. Bechtle ensures the shipping quality – which is mainly determined by the speed – by means of agreements with partners and regular audits. By applying the fulfilment principle, Bechtle keeps its stock level low, thereby reducing the risk of devaluation of IT products, which are characterised by very short innovation cycles. Customers benefit from short delivery times: purchase orders received by 4 p.m. are usually shipped on the same day and delivered on the next day. Lean processes and efficient logistics give the company a competitive edge in the trading business. The centralisation of the product management, purchasing, and warehouse guarantees market-oriented prices and quick delivery. Bechtle controls all these sub-areas for all EU countries from its logistics centre in Neckarsulm, Germany. The activities of the Swiss system houses and of the ARP and Comsoft companies are controlled by the logistics centre in Rotkreuz.

Another key business process concerns the goods and pricing system and the uniform product database, which is accessed by all European subsidiaries. Every night, the European pricing system (EPS) developed by Bechtle loads more than 4.7 million pieces of pricing and availability information from IT manufacturers and distributors and calculates the respective national prices. Suppliers are primarily selected on the basis of the lowest price and the ability to ship immediately across Europe. Market-related product information is automatically updated online for the country-specific Web shops.

Apart from the online shops, the product catalogues are the second important sales channel in Bechtle's trading business. The catalogues are published up to three times a year in up to twelve different country versions with a print run of 80,000 to 150,000 copies. The catalogues with detailed specifications, product images, and direct references to suitable accessories thus represent the ideal supplement to the central online product database. Since the release of the first issue in 1991, the catalogues have developed into a recognised standard reference work in the industry.

Logistics provide competitive edge

Software licensing

In addition, during the course of the year, Bechtle AG also intensified its software licensing and management activities. The *Comsoft direct* companies, which operate in this area in five countries, offer customers a cross-vendor, full-service solution portfolio for software licenses. *Comsoft direct* supplies enterprises of all sizes with custom-tailored software products, solutions, and services. The offer covers the entire software lifecycle, including consulting, sales, procurement, maintenance, and project management. The importance of this know-how is on the rise, as manufacturer licensing and pricing models are becoming more and more complex. This competence is increasingly demanded by customers, especially with respect to service-oriented architectures consisting of diverse software modules with countless licensing models. *Comsoft direct* selects the most suitable licensing models from its extensive spectrum and enables customers to use their software applications as effectively and inexpensively as possible. The offer in this segment includes the analysis of the customers' licensing situation, in order to quickly achieve the optimum balance between illegal under-licensing and unnecessary, cost-intensive overlicensing.

Extensive solution portfolio
 in software licensing

Research and development

As a pure service and trading company, Bechtle is not involved in any research activities. Development activities are only conducted to a very limited extent, and principally for internal purposes. Due to the limited scope and the negligible economic significance of the development work, Bechtle does not report any R&D figures.

In the reporting period, development work was done in connection with the maintenance and update of the Web pages. Furthermore, the internally created software solutions BELOS and structura dynamic generated some programming overhead. BELOS is a resource management software for planning and conducting events, training, and meetings. The software was prepared to meet internal needs and is marketed only to a limited extent. structura dynamic is a comprehensive package based on the enterprise software Microsoft Dynamics that Bechtle offers especially to medium-sized manufacturers. Among other things, the tool provides high functionality and transparency for project management, resource and sales planning, production control, service and complaint handling, and notification and approval procedures. The software solutions are subject to regular maintenance and further development.

The online solutions of the existing Web shops of *Bechtle direkt* and *ARP Datacon* were developed internally by Bechtle in 1995. Since then, a team of programmers has taken care of the continuous maintenance, the further development of the e-commerce platform, and the implementation of new countries, such as the market launches in Ireland, Portugal, and currently in Poland. In the reporting period, development services were also rendered for the company homepage www.bechtle.com. A new content management system (CMS) was adapted to the needs of Bechtle and implemented in the course of the year.

Apart from this, no major development work was done in the reporting period.

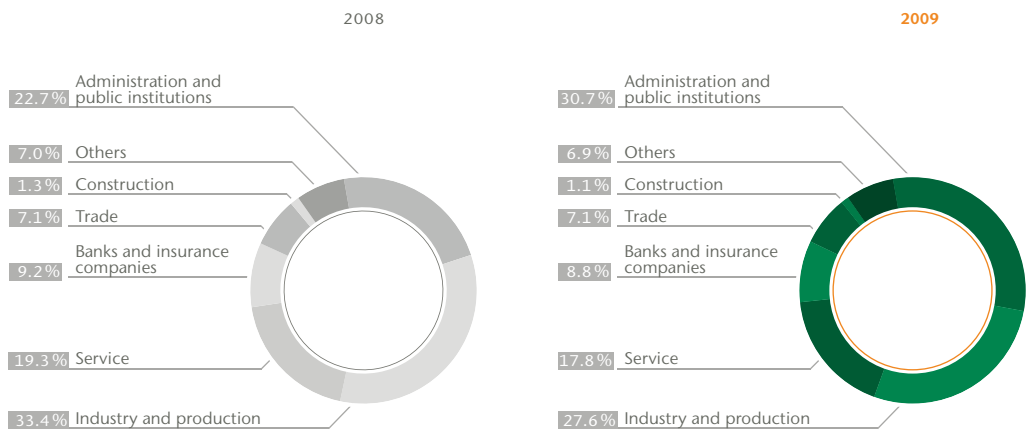
Markets

Bechtle's core target group consists of medium-sized businesses. Bechtle defines the size of businesses according to the number of PC workstations. Local medium-sized businesses are customers with 20 to 50 PC workstations, regional medium-sized businesses are companies with 50 to 250 PC workstations, and upper medium-sized businesses are enterprises with 250 to 2,000 PC workstations.

Target group: medium-sized businesses

This size and potential-related segmentation of medium-sized businesses is the only demarcation of Bechtle's market. Within the defined size limits, all companies are potential Bechtle customers, regardless of the industry they belong to.

INDUSTRY SEGMENTATION OF BECHTLE SYSTEM HOUSES IN GERMANY BY REVENUE



Despite the basically industry-independent marketing approach, an industry specialisation in the public sector has emerged in Bechtle's clientele. It is the result of the peculiarities of the market, and is taken care of separately in the company. The public sector division, which, as an internal service unit, supports the decentralised system houses and the *Bechtle direkt* companies in the processing of public request for tenders. The characteristics of this customer segment, e.g. as evident in the bidding procedure, necessitate this specialisation.

Geographically, Bechtle's IT system house & managed services segment operates exclusively in Germany, Austria, and Switzerland. In the IT e-commerce segment, the Bechtle Group is active all over Europe (see chapter Group Structure, page 19).

Competitive position

According to information of the Federal Statistical Office, more than 70,000 IT companies that differ greatly in terms of size, service spectrum, and specialisation offered their products and services in Germany in the 2009 reporting period. Most of these companies merely operate on a local scale and seldom exceed annual revenues of 5 million euros. According to the Federal Statistical Office, the group of medium-sized IT companies with annual revenues of approximately 50 to 250 million euros comprises about 100 companies. Only about 20 companies, including Bechtle, are on the list of larger system houses that are active in Germany.

In Germany, Bechtle enjoys an excellent market position. According to the industry journal ChannelPartner, Bechtle ranks second among vendor-independent German system houses in terms of the domestic revenue and is far ahead of the lower-ranking companies. The competitive strength is even more important than the revenue figure. According to a survey ChannelPartner conducted among German system houses for the purpose of identifying the most significant competitors, Bechtle was the most frequently mentioned company.

In the annual customer-friendliness survey conducted by the industry journals ChannelPartner and Computerwoche, user companies gave Bechtle AG in 2009 an average rating of 1.92 (prior year: 2.00) in the category of companies whose annual revenue exceeded 250 million euros. Thus, the company ranks second on the list of Germany's most customer-friendly system houses. More than 1,700 projects were evaluated during the three-week online survey. Among other things, the questions focused on the quality of the offer of the selected system house. The quality of the project rollout was determined on the basis of statements about the project management, communication, reaction times, and competency. Adherence to deadlines, a good price/performance ratio, and the support after the completion of the project (maintenance, training, etc.) also formed part of the basis for the rating.

Improved customer-friendliness

According to its own information, Bechtle is the market leader in the system house business in Switzerland. Since its market entry in 2008, Bechtle AG has been present in Austria with two system house locations in Vienna.

The small and medium-sized companies still collectively account for the greatest market share in Germany, Austria, and Switzerland. In the reporting period, it was observed that particularly due to the deteriorated economic framework conditions, medium-sized providers increasingly consolidated their activities by means of mergers and acquisitions, and large providers expanded their market position at the cost of the smaller providers.

In the IT e-commerce segment, the group considers its market position to be outstanding in Germany and Switzerland and stable in the other European countries.

Environmental protection

As a trading and service company, Bechtle AG is less affected by environmental protection requirements than manufacturing companies. Nevertheless, Bechtle is committed to environmental protection. As far as possible, the group endeavours to employ its resources in a responsible manner.

The company does not offer any products containing hazardous or potentially hazardous substances that could endanger the environment or consumers. Bechtle requires its suppliers to comply with the EU directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS) of March 2003. In addition to the agreement, all purchased components are regularly inspected in order to make sure that they do not contain any hazardous substances. Bechtle ensures eco-friendly disposal of the products at the end of their lifecycle, thereby fulfilling its obligations under the German Electrical and Electronic Equipment Act. The company has been listed in the waste electrical equipment register since 2005.

Bechtle attaches a lot of importance to green IT. In the future, companies that are not yet sufficiently sensitised to the subject of green IT must expect rising energy costs, higher charges, and – last but not least – negative media coverage. In contrast, a professional look at green IT provides the opportunity of taking on social responsibility and not only using environmental protection as a competitive advantage but also benefiting from lower operating costs. Today, many companies do not merely base their decisions on the best offer, but also analyse the cost of entire lifecycle, which also includes the steadily rising energy costs. The employees are another important factor. Employee training contributes to the goal of effectively ensuring sensitivity to IT at the workplace and to the associated ongoing energy costs. The company regards itself as a strategic partner for green IT. In addition to the high service quality and high availability of the systems, Bechtle's duties include providing flexible support for the customers' business processes.

The group is also responding to the growing need for low-consumption IT products and energy-efficient concepts with an expanded service and product offer of eco-friendlier and more economic IT environments. From consulting to procurement to implementation, Bechtle covers all stages of the economic and ecological optimisation of IT infrastructures. Thus, computing centres are analysed for their energy consumption and possible savings potential. For example, savings can be achieved through server virtualisation and consolidation. Furthermore, Bechtle's current product offer features various energy-saving hardware and software products.

Green IT is an important element of the service offer

CORPORATE MANAGEMENT

A clear strategy and the consistent pursuit of defined goals are indispensable factors for the successful development of a company. Efficient management systems are increasingly important, especially in times of economic hardship. In the reporting period, it became evident how important the continuous comparison of the achieved earnings with the underlying plan values is against this background. This approach made it possible to take suitable measures to manage the company and achieve relatively good earnings.

Objectives and strategy

In the Vision 2020, drafted in 2007, the Executive Board set itself very ambitious growth targets. By 2020, Bechtle plans to reach group revenue of 5 billion euros and to double the workforce to 10,000. This goal requires an average revenue growth of 10 to 15 per cent a year.

Corporate goal:
 profitable growth

Bechtle plans further organic growth by means of new technologies, higher-quality services, and a suitable hardware infrastructure and software portfolio as part of a customer solution. To this end, the company is making a concerted effort to expand its portfolio, partly using its own resources, partly in collaboration with key manufacturers. The objective is to provide innovative, solution-oriented, and efficient concepts for the IT of medium-sized customers, thereby gaining a visible and sustainable edge over competitor offers.

Further growth is to be supported by means of attractive acquisitions or selective establishment of new companies. The acquisitions mainly target small to medium-sized businesses that strengthen the regional market position of Bechtle AG in terms of customers and services. Therefore, the objectives are the addition of IT-specific competencies and the intensive processing of strategically important regional markets and customer groups for the purpose of gaining market shares. In the IT system house & managed services segment, the group's goal is to be present throughout Germany, Austria, and Switzerland by 2020 as the leading IT partner of medium-sized businesses and the public sector.

In the IT e-commerce segment, Bechtle pursues a consistent internationalisation approach on the basis of a multiple-brand strategy. The company is already present in a total of eleven European countries. In April 2010, Poland will follow as the twelfth country. The group will further expand its presence in Europe and assume a leading position in e-commerce by 2020. Bechtle believes that there is also substantial potential for long-term growth in the field of hardware and software trading outside Europe.

Systems and instruments

The Executive Board of Bechtle AG is responsible for the overall planning and realisation of the group's long-term targets. The main objective of the company development is to effectively increase the company value through profitable growth.

The short and medium-term planning for the management of the operational units and the resulting measures are derived from the long-term corporate planning. However, they are also geared to the development of competitors and of the market environment. For the employees of Bechtle AG, the top priority is to achieve growth and profit through satisfied customers and to attain market leadership at the company's location.

Revenue, revenue growth, earnings before taxes (EBT), and earnings before taxes in relation to the revenue (EBT margin) are relevant key performance indicators. Individual profit sharing schemes are applied to enhance the employees' commitment to agreed targets.

At annual strategy conferences, the Executive Board presents measures and measurable milestones by means of which Bechtle strives to reach its goals. Additionally, annual strategy and focus papers are prepared by the various companies, and individual planning meetings are held with the directors. All individual planning elements collectively form the basis for the overall annual planning of the Bechtle Group.

The operational targets and duties derived from the individual meetings are communicated by the directors in the respective individual companies and divisions of both segments and form the basis for the individual performance targets of the employees. The development during the year is continuously analysed with the help of database-supported management instruments, which were further expanded and optimised in the reporting period. Thus, the management can promptly initiate suitable measures in the event of any deviations from the plan. The assessment takes place in the form of a benchmark test with the help of the Bechtle scorecard, which transforms various performance criteria into a performance ranking that is transparent for all companies and divisions. Additionally, the operational development of all IT e-commerce companies is collected and analysed using a special software tool called European Sales Cockpit (ESC).

In addition, the group regularly assesses the business performance – also compared to other locations – using the Executive Information System (EIS) to provide the operational units with detailed monthly reports with standardised profitability ratios in relation to incoming orders, revenues, and contribution margins. Moreover, some of the subsidiaries have their own management system for the operational control of their sales activities. This system comprises effectiveness indicators and order and customer-related parameters that enable direct assessment of the business performance. Apart

Consistent business
management

from the experience of the sales staff with respect to the customers' demand behaviour and investment affinity, the development of the purchase prices and of incoming orders is regarded as a mission-specific early indicator for the due assessment of business performance.

Within the scope of the management of the companies, key financial ratios like cash flow, working capital, capital turnover, investment quota, and return on capital employed (ROCE) are used in addition to the direct business indicators. For instance, the development of the key factors affecting the cash flow is submitted to all directors with operating responsibilities on a monthly basis in the form of a cash-flow cockpit in order to forestall potential mistakes at an early stage.

Cash flow management
 at subsidiary level

Besides EIS as the central management information system, Bechtle AG uses two ERP (enterprise resource planning) systems, Navision Financials und SAP, within the scope of the resource-oriented management. All accounting, controlling, and central logistics management processes are integrated in SAP. The optimum mapping of business processes and the standardisation of the utilised management instruments are key criteria for the design of the implemented IT. In this way, it is ensured that the leadership structure and the employed systems remain freely scalable to accommodate further growth of the company.

Monthly and quarterly financial statements, which are made available to the executive staff for their respective fields of responsibility in the SAP system, enable a comparison with the economic position in the past as well as with plan values in order to identify negative developments at an early stage. The Financials ERP system serves as an enterprise resource planning and sales information system at all locations. The two interlinked systems collect information pertaining to the sales success, such as the status of the sales process phases, the coordination of tasks in the sales team, billing and shipping of goods, and the situation of the receivables, and back these with relevant figures (such as the customer contact frequency, the order total and the contribution margin per sales rep, and the average DSO).

At group level, the consolidated data for all operational units from the various reporting systems are used for the coordination of investment and financing decisions, early identification of target/actual variances, and initiation of suitable measures.

However, many of the success-critical factors that affect the sustainable growth of the Bechtle Group can only be quantified indirectly or not at all. This includes factors such as the brand reputation, customer satisfaction, staff qualification, experience, motivation, and leadership qualities, as well as the corporate culture, which can only be described qualitatively, if at all.

To get a better picture of the reputation in the market, Bechtle's management takes advantage of customer surveys or studies and assessments of professional media, industry associations, and market research institutions. Among other things, the results of these studies are used within the scope of the strategic planning in order to ascertain the company's image in relation to competitors. The "customer satisfaction" factor is analysed in both company segments at regular intervals. The results serve as indicators for the quality of the customer loyalty and are used internally to coordinate sales activities. Bechtle considers the results of this year's survey conducted by the industry journals ChannelPartner and Computerwoche, the purpose of which was to identify Germany's most customer-friendly system house, as a clear indicator of its successful customer bonding. Of the 1,717 projects evaluated, more than 500 were Bechtle projects. In the category of companies with revenues of more than 250 million euros, the rating improved to 1.92 compared to 2.00 in the prior year. Combined with target-oriented staff training, these analyses help Bechtle to continue to provide customers with professional and competent consulting services. Personnel-related data like fluctuation and qualification details are used as internal key performance indicators. The goal is to systematically develop the employees in all fields of qualification and to increase the motivation in order to improve employee loyalty.

EMPLOYEES

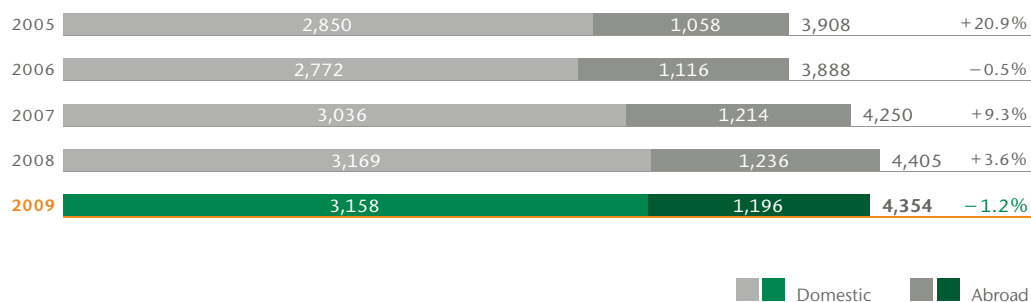
In the past financial year, Bechtle was confronted with very difficult framework conditions. The measures required to secure the earnings inevitably also affected the employment situation. Nevertheless, the Executive Board never lost sight of its social responsibility and took care not to endanger the company's sustainability. In this connection, the management of the entire group proceeded with great care. This is also evident from the fact that the workforce in 2009 was only slightly smaller than in the prior year.

Development of the staff figures

As of 31 December 2009, the Bechtle Group had a total of 4,354 employees. Compared to the prior year with 4,405 employees, the total workforce fell by 51. On average, 4,396 employees worked for Bechtle during the reporting period (prior year: 4,288 employees). The increase by 108 employees was due to the fact that in 2008 more employees were hired towards the end of the financial year.

At the end of 2009, Bechtle had 3,158 employees in Germany, eleven less than in the prior year (3,169 employees). The number of employees in other countries dropped from 1,236 to 1,196.

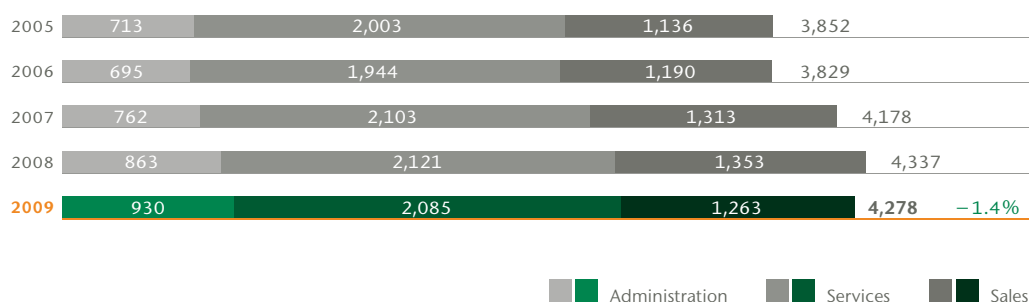
REGIONAL DISTRIBUTION OF EMPLOYEES as of 31 December



The staff figures comprise all employees (except for temporary personnel), including those on parental leave and those doing military or civilian service.

In terms of fields of activity, 930 employees throughout the entire group worked in administration on 31 December 2009, 67 more than in the prior year. The workforce in the service division fell by 36 to 2,085, and by 90 to 1,263 in the sales division. The increase in the administration figures was exclusively the result of a different allocation of employees from other departments compared to the previous year, which was necessitated by internal audits.

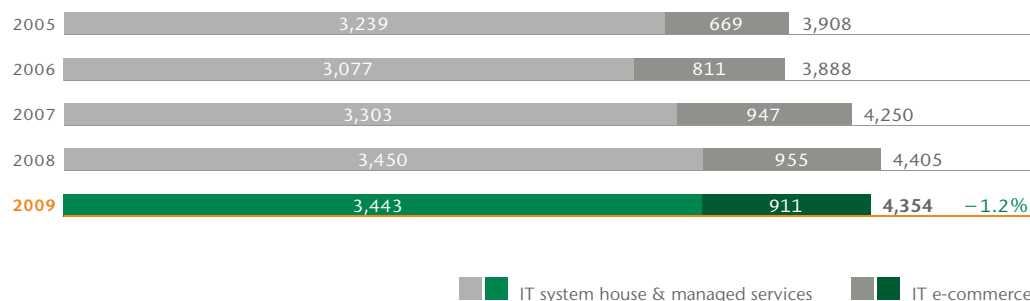
EMPLOYEES BY DIVISIONS as of 31 December



For internal costing reasons, the staff information by divisions does not take those on parental leave and those doing military or civilian service into consideration.

At the business segment level, the number of employees was relatively stable in the IT system house & managed services segment. As of the end of the year, 3,443 employees worked in this segment, compared to 3,450 in the prior year. The number of employees in the IT e-commerce segment amounted to 911 (prior year: 955). Due to the considerably reduced demand in trading business that Bechtle experienced in 2009 compared to the service business, the domestic and international workforce had to be adjusted accordingly.

EMPLOYEES BY SEGMENTS as of 31 December



The staff figures comprise all employees (except for temporary personnel), including those on parental leave and those doing military or civilian service.

Moreover, the group responded to the difficult economic situation by terminating project-specific employment contracts and by implementing short-time work. In the IT system house & managed services segment, especially locations largely dependent on the engineering and automotive industries were affected by short-time work. In the IT e-commerce segment, only *ARP Datacon* in Germany and Switzerland introduced short-time work. In the summer months of July and August, the measure was also implemented in the central logistics & service department at the headquarters in Neckarsulm. The reduction of the working time at the affected companies averaged 10 to 20 per cent.

Responsible HR management

Personnel expenditure and salary model

In 2009, the higher average number of employees resulted in an increase in expenditures for wages and salaries including social contributions by 1.2 per cent to 220.4 million euros (prior year: 217.7 million euros). Against the background of the revenue trend, the personnel expenses ratio grew from 15.2 per cent to 16.0 per cent. The personnel intensity in relation to the gross profit was higher and amounted to 63.8 per cent (prior year: 60.1 per cent).

PERSONNEL EXPENSES

	2005	2006	2007	2008	2009
Personnel and social expenditure in million euros	179.5	192.6	203.3	217.7	220.4
Personnel and social expenditure per employee in th. euros ¹	50.4	50.5	50.3	51.6	50.9
Personnel expense ratio in per cent	15.2	15.8	14.7	15.2	16.0

¹ Without staff on parental leave and those doing military or civilian service

As a matter of principle, the salary model of all Bechtle employees consists of fixed and variable components. The amount of the variable compensation depends on the degree of achievement of the targets agreed for the particular area of responsibility. For sales staff, the variable component is calculated according to the amount of the contribution margin achieved, while the revenue serves as the indicator for employees in the service sector. As a matter of principle, the performance-related compensation of directors is computed on the basis of the achievement of the earnings and revenue targets determined at the beginning of the year.

Training

Bechtle has continuously placed a lot of emphasis on training young people, thereby securing its supply of qualified junior personnel. In 2009, the company offered training for 14 different administrative and technical professions like information technology, IT systems management assistance, systems electronics, and warehouse management. Furthermore, Bechtle trains students of the University of Cooperative Education (Dual Universities Baden-Württemberg), mainly in IT, business IT, business administration, and commerce.

With approximately 920 applications submitted for the 31 training positions posted for the following year, the interest in training at Bechtle remained at a high level on par with the prior year. At the end of the reporting period, the company had a total of 289 young trainees (prior year: 281), including 30 junior team members abroad. The ratio of trainees to full-time jobs increased from 6.9 to 7.2 per cent.

More trainees,
higher training ratio

Bechtle considers needs-oriented training to be an important step towards making the business future-proof. Thus, in the 2009 reporting period, most of the successfully qualified trainees were offered permanent employment contracts.

Compared to other companies in the industry, Bechtle boasts a high certification density. By means of vendor-certified employees, Bechtle guarantees a high level of consulting quality and solution competence for its customers at all times. In 2009, too, employee certification measures constituted a central part of the HR work.

The Bechtle Academy, which was established by the company in 1999, complements the individual training at the group locations, offering all employees a comprehensive programme ranging from ongoing training measures to the acquisition of special skills to interdisciplinary seminars. The monthly introductory events for new employees are also supervised by the Bechtle Academy.

In 2009, the Bechtle Academy conducted 324 events with a total of 3,393 participants (prior year: 319 events with a total of 3,759 participants), thereby making a significant contribution to the qualification of Bechtle's workforce. More than 45 per cent of the events highlighted process-related topics; training measures for the sales team accounted for more than 24 per cent. Introductory events for new employees came third, accounting for some 20 per cent.

To further improve the quality of the training offers and the competence of the employees, the group introduced a new platform for the sales-oriented training portal *iLearn* in the IT e-commerce segment in 2009. The training offer of *iLearn* currently comprises 68 individual courses for IT products, processes, and sales guidelines in six languages for newcomers and experienced sales representatives. The courses that are taken directly at the PC workstation can be combined with classroom-based events of the Bechtle Academy and the training roadmap at *Bechtle direkt*. Currently, more than 350 members of the sales team at the European e-commerce locations of the Bechtle Group benefit from *iLearn*. In 2009, the Web-based training portal was certified according to DIN/ISO 9001. The objective of *iLearn* is to ensure uniform, up-to-date product knowledge at all locations, thereby further expanding the competitiveness of Bechtle in the pan-European trading business.

Internal Web-based training portal *iLearn* introduced

CORPORATE GOVERNANCE REPORT

At Bechtle, the close and efficient collaboration of the Executive Board and the Supervisory Board, the protection of the interests of all stakeholders, open corporate communication, the due accounting and auditing, and the responsible management of risks and opportunities form the basis for effective corporate governance.

Basic understanding

The Executive Board and the Supervisory Board of Bechtle AG are fully committed to the Corporate Governance principles (see Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG), pages 48 f). For the members of both boards, the rules serve as important orientation standards for the responsible management and supervision of the company.

The following Corporate Governance principles are of special importance to the Executive Board and the Supervisory Board:

- Effective, constructive collaboration between the Executive Board and the Supervisory Board;
- High transparency in accounting and financial communication;
- Protection of shareholder interests;
- Performance-oriented compensation for the Executive Board and executive staff.

These principles have characterised the self-image and the effective value-oriented actions of the group's boards for many years.

Below, the Executive Board and Supervisory Board jointly report on the Corporate Governance at Bechtle AG according to Section 3.10 of the German Corporate Governance Code (DCGK):

Shareholders and Annual General Meeting

The Annual General Meeting is a central, internal decision-making organ of Bechtle AG through which the shareholders can make use of their rights and exercise their voting rights. By virtue of law, the shareholders are involved in fundamental decisions such as the appointment of Supervisory Board members, amendments to the Articles of Incorporation, the appropriation of retained earnings, or the issue or buyback of shares.

Proxies facilitate representation of shareholder interests

Bechtle AG only has no-par common bearer shares in circulation. All shares have the same voting rights. To enable shareholders to safeguard their interests at the Annual General Meeting, the Executive Board appoints proxies on whom the shareholders can confer their voting rights, subject to their instructions. It is ensured that the proxies can be reached at all times during the Annual General Meeting. The agenda and the reports and documents required for the Annual General Meeting are made available to the shareholders for review and download at www.bechtle.com.

Bechtle AG endeavours to organise the Annual General Meeting as efficiently as possible and not to extend it unduly. In this context, the company follows the provisions of the German Corporate Governance Code (DCGK), according to which an ordinary Annual General Meeting should normally end after no more than four to six hours. All Annual General Meetings in recent years remained within this limit.

The Executive Board and the Supervisory Board of Bechtle AG still do not broadcast the entire Annual General Meeting over the Internet. In the opinion of the management, the organisational costs and the legal uncertainties would surpass the benefits for the company and its shareholders.

Collaboration between the Executive Board and the Supervisory Board

The German Stock Corporation Act (AktG) provides for strict personal segregation of the management and the supervision of the business. The most important duties of the Supervisory Board include the counselling and supervision of the Executive Board in the management of the company. Therefore, the Supervisory Board is involved in all major corporate decisions on the basis of a set of Rules of Procedure and assists the Executive Board by providing advice.

The Executive Board and the Supervisory Board of Bechtle AG closely collaborate for the benefit of the company. The Executive Board regularly, duly and comprehensively informs the Supervisory Board of all material issues of the business development, business planning, strategy, and potential risks and opportunities of the business performance as well as compliance-related subjects. The Executive Board informs the Supervisory Board without delay about any extraordinary events that are of importance to the assessment of the situation, development, or management of the company. The Supervisory Board also obtains information about the company's situation and important business transactions in meetings with the Executive Board and Directors outside the scope of the regular Supervisory Board meetings. Thus, the Supervisory Board has a useful information base for monitoring operations with valuable suggestions and recommendations. At the beginning of each financial year, the Executive Board submits its plans to the Supervisor Board for approval. The Executive Board reports any deviations from previous plans and the reasons for such deviations to the Supervisory Board. Reports that the Executive Board conveys orally to the Supervisory Board are accompanied by the submission of written documents. As a matter of principle, the Executive Board forwards its documents to the members of the Supervisory Board in coordination with the Chairman of the Supervisory Board in good time before the Supervisory

Trusting cooperation between Executive Board and Supervisory Board

Board meetings in order to enable the members to duly prepare for the meetings. According to the Rules of Procedure, important business transactions are subject to the approval of the Supervisory Board. Further information on business transactions that are subject to approval is presented in the Report of the Supervisory Board on pages 8 ff.

Executive Board

In the financial year 2009, the Executive Board comprised Dr. Thomas Olemotz, Michael Guschlbauer, and Jürgen Schäfer. Thomas Olemotz, Spokesman of the Executive Board, is responsible for finance & controlling, corporate communication & investor relations, IT, logistics & service, human resources, quality management and legal affairs. Michael Guschlbauer is responsible for the IT system house & managed services segment, and Jürgen Schäfer is in charge of the IT e-commerce business.

Among other things, the Rules of Procedure govern the distribution of tasks and the collaboration within the Executive Board and with the Supervisory Board. The Rules of Procedure provide for an age limit of 65 years for members of the Executive Board.

Executive Board compensation

Under the Act on the Appropriateness of Management Board Compensation (VorstAG), which came into force on 5 August 2009, the legislator has implemented new requirements concerning the form of the Executive Board compensation. The aim of this act is to structure the compensation with a view to effective company management with a long-term focus. Bechtle AG plans to restructure the Executive Board compensation the next time the contracts are renewed, thereby complying with the requirements of the Act on the Appropriateness of Management Board Compensation (VorstAG) and the recommendations in Section 4.2.3 (2) of the German Corporate Governance Code (DCGK). This will most likely be done from 2011 on.

At present, the total compensation of the Executive Board members consists of a fixed component and a variable, performance-related component. The performance-related component, which represents the annual bonus, depends on the achievement of defined financial targets. These targets are determined by the personnel committee of the Supervisory Board on an annual basis. The performance-related component is mainly calculated on the basis of the EBT of the Bechtle Group and is aligned with the achievement of specific threshold values defined in plans. The bonus is capped. If the actual earnings fall short of the profit target by more than 50 per cent, no bonus will be paid.

Performance-related Executive Board compensation

So far, the company has not granted Executive Board members any variable compensation component that provides a long-term incentive effect and is subject to risk, nor has the company made any pension commitments. Moreover, the Supervisory Board has not concluded any agreements between the company and members of the Executive Board in case of a change of control due to a takeover bid.

The Annual General Meeting of 20 June 2006 decided to make use of the opting-out clause. According to Section 286 (5) of the German Commercial Code (HGB), Bechtle AG is thus exempted from the legal requirement for individualised disclosure of the Executive Board compensation up to and including 2010 (Section 4.2.4 DCGK). In view of the relatively small number of Executive Board members, the company is of the opinion that the disclosure of the total Executive Board compensation and the itemisation in fixed and variable components provide adequate transparency.

For the financial year 2009, the fixed compensation of the Executive Board amounted to 768,000 euros (prior year: 556,000 euros), and the total compensation amounted to 1,266,000 euros (prior year: 1,356,000 euros).

EXECUTIVE BOARD COMPENSATION in euros

	2009*	2008
Fixed compensation	768,000	556,000
Variable compensation	498,000	800,000
Total	1,266,000	1,356,000

* Here, the replacement and particularly the addition of new Executive Board members as of 1 January 2009 must be taken into consideration.

Depending on their position, Executive Board members were assigned vehicles for business and private use as fringe benefits.

The German Corporate Governance Code recommends limiting the severance of an Executive Board member in the event of premature termination of his activity without good cause to the compensation for two years (severance cap) or not to compensate more than the residual term of the contract (Section 4.2.3 (4) DCGK). The Supervisory Board of Bechtle AG endeavours to bind the Executive Board members to the company for long terms, if possible. The Supervisory Board of Bechtle AG does not consider a formal limitation by means of an agreement to be practicable. Thus, the legal provisions apply in this case. In the opinion of the Supervisory Board, the legal provisions adequately account for the mutual interests in the event of departure of an Executive Board member and therefore form an appropriate basis. The company intends to continue to handle this issue in this way. In the opinion of Bechtle AG, deviating from the recommendation of the German Corporate Governance Code serves the company's interests in this instance. However, to take the basic tenor of the recommendation into consideration, the company will, in the event of premature cancellation of an Executive Board contract by mutual consent, endeavour to conclude a severance agreement with the particular Executive Board member that complies with the principle of appropriateness.

Supervisory Board

In line with the Articles of Incorporation, the Supervisory Board of Bechtle AG consists of twelve members. In accordance with the German Co-Determination Act (MitbestG) of 1976, it consists of equal numbers of shareholder representatives and employee representatives. As none of the Supervisory Board members has any business or personal relationship with the company or with the Executive Board, no conflicts of interest are expected. Some of the employee representatives are normal employees of the company.

In the reporting period, the Supervisory Board did not undergo any changes.

Gerhard Schick is the Chairman of the Supervisory Board. Moreover, he is chairman of the committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG) and chairman of the personnel committee. In his capacity as Chairman of the Supervisory Board, Gerhard Schick coordinates the duties of the Supervisory Board, chairs the meetings, and represents the concerns of the Supervisory Board in external dealings. Moreover, he regularly communicates with the Executive Board in order to intensively discuss matters concerning strategic alignment, business performance, and risk management. Uli Drautz is the Vice-Chairman of the Supervisory Board. Dr. Jochen Wolf serves as chairman of the audit committee. As doctor of economics, long-standing head of group controlling, administrative director and CFO, and director of an investment company, he has special skills and experience in the application of accounting principles and internal audit procedures (Section 100 (5) AktG, Section 5.3.2 DCGK).

No changes in Supervisory Board staffing in 2009

A nomination committee has not been formed. In this respect, Bechtle does not follow the recommendation of Section 5.3.3 of the German Corporate Governance Code (DCGK). In view of the staffing of the Supervisory Board, the Supervisory Board does not consider the formation of such a committee to be necessary at present.

The shareholder and employee representatives prepare separately the Supervisory Board meetings. If necessary, the Supervisory Board holds meetings without the Executive Board. This was not the case in the reporting period.

In the past, the Supervisory Board of Bechtle AG agreed terms of office of less than five years for Executive Board members appointed for the first time. The company intends to continue to use this approach.

The Supervisory Board endeavours to fulfil its duties with due care. Therefore, the efficiency of its activity is checked extensively every three years on the basis of the guideline of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. The last survey, which was conducted in 2009, revealed that the Supervisory Board worked efficiently. Should the plenum come to the conclusion that the efficiency has deteriorated, the efficiency audit will be conducted on an annual basis.

For its work, the Supervisory Board has issued Rules of Procedure. In particular, these Rules of Procedure govern the collaboration in the Supervisory Board. The Rules of Procedure provide for an age limit of 70 for Supervisory Board candidates.

Supervisory Board compensation

The currently applicable compensation rules for the Supervisory Board were adopted by the Annual General Meeting on 13 June 2003 and are outlined in Article 11 of the Articles of Incorporation of Bechtle AG. Bechtle AG presents the compensation of Supervisory Board members in individualised form. The compensation structure takes the responsibility and scope of activity of the individual members into account. The chairmanship, vice-chairmanship, and committee activities are taken into consideration.

Contrary to the recommendation in Section 5.4.6 (2) of the German Corporate Governance Code (DCGK), the compensation does not contain any performance-related component. In the company's opinion, the Supervisory Board's successful and responsible fulfilment of duties does not necessitate such a component.

SUPERVISORY BOARD COMPENSATION in euros

Name	Basic compensation	Chairman/ Vice-Chairman	Committee activity	Total 2009	Total 2008
Shareholder representatives					
Kurt Dobitsch	20,000			20,000	20,000
Dr. Walter Jaeger	20,000			20,000	10,722
Gerhard Schick	20,000	20,000	12,500	52,500	52,500
Karin Schick	20,000			20,000	20,000
Klaus Winkler	20,000		5,000	25,000	25,000
Dr. Jochen Wolf	20,000		12,500	32,500	32,500
Employee representatives					
Udo Bettenhausen	20,000			20,000	19,056
Uli Drautz	20,000	10,000	10,000	40,000	40,000
Daniela Eberle	20,000		5,000	25,000	25,000
Jürgen Ergenzinger	20,000			20,000	10,722
Sonja Glaser-Reuss	20,000			20,000	10,722
Barbara Greyer	20,000			20,000	20,000

The Supervisory Board members have not been granted any loans or other declarations of liability. The same applies to the Executive Board members. During the reporting period, the company did not have any share option programmes or similar securities-oriented incentive systems.

The compensation structure of the Supervisory Board is currently being reviewed as to whether it is still appropriate under consideration of the increased requirements of the Supervisory Board activity.

D&O Insurance

The Executive Board and the Supervisory Board are under the obligation to apply the principles of proper corporate management. Should they culpably violate their duty to exercise due care, Bechtle AG may assert claims for damages against them. To cover this risk, the company has taken out directors & officers insurance for the Executive Board and Supervisory Board members. Notwithstanding what is specified in Section 3.8 of the German Corporate Governance Code (DCGK), neither the Executive Board nor the Supervisory Board are subject to any deductible. According to the new provisions of the Act on the Appropriateness of Management Board Compensation (VorstAG), a deductible of at least 10 per cent of the loss is now statutorily required pursuant to Section 93 (2), sentence 3 AktG. According to the transitional provision of Section 23 (1) of the Introductory Act to the Stock Corporation Act (AktGEG), existing insurance contracts in connection with which the company has promised the Executive Board member in the employment contract to take out insurance without deductible shall be maintained without deductible. Bechtle AG makes use of this transitional provision and will adjust the D&O contracts for the Executive Board members to the provisions of the German Stock Corporation Act (AktG) after the existing contracts expire in the financial year 2011. Section 3.8 (3) of the German Corporate Governance Code (DCGK) recommends a deductible for supervisory board contracts. Currently, Bechtle AG does not comply with this recommendation, as it does not believe that a reasonable deductible would contribute to an improved sense of responsibility and motivation of the Supervisory Board. However, Bechtle AG will check whether the recommendation concerning the insurance of the Supervisory Board should be followed in connection with the adjustment of the Supervisory Board compensation.

Conflicts of interest

The members of the Executive Board and of the Supervisory Board are committed to the interests of the company. In their decisions within the scope of their activity, they are not permitted to pursue personal interests or use business opportunities to which the company is entitled for themselves. The Executive Board members disclose any conflicts of interest to the Supervisory Board and inform the other members of the Executive Board without delay. In its report to the Annual General Meeting, the Supervisory Board provides information about any encountered conflicts of interest and their consequences.

During their activity for Bechtle, the Executive Board members are subject to a comprehensive competition ban. Any kind of side-lining, including the assumption of supervisory board mandates outside the group, is subject to the approval of the Supervisory Board. In the past financial year, the Supervisory Board and Executive Board members did not experience any conflicts of interest, e.g. due to a consulting or organ function on behalf of customers, suppliers, lenders, or business partners. Detailed information on the mandates of the board members on supervisory boards and similar supervisory bodies is presented in the Notes to this Annual Report (on pages 181 f and pages 194 f).

Transparency

To promote trust on the part of shareholders and the public, Bechtle engages in earnest, timely, and open dialogue with all shareholders and other target groups. For the Executive Board and the Supervisory Board, openness and transparency are key principles of conduct. To ensure equal treatment of all market players, all important capital market-relevant information is published simultaneously in German and English and made available at the company's Web site. Important dates, financial reports, press releases, and presentations are also made available to shareholders and other interested individuals on the company home page. Moreover, Bechtle offers its shareholders the possibility of learning the latest details about the performance of the Bechtle share and important analyst and press opinions by means of a weekly report. Upon request, Bechtle sends potential investors publications such as annual and quarterly reports free of charge.

Communication according to
the principle of fair disclosure

Disclosures according to the German Securities Trading Act

Pursuant to Section 15a of the German Securities Trading Act (WpHG), individuals who are entrusted with executive duties and who are authorised to make material entrepreneurial decisions of the issuer as well as natural persons and legal entities closely affiliated with them must promptly disclose the purchase or sale of Bechtle shares if the transaction volume exceeds 5,000 euros within a calendar year. Bechtle publishes all transactions of this type at the Web site under Directors' Dealings and reports them to the German Federal Financial Supervisory Authority (BaFin).

In the reporting period, the following transactions had to be reported pursuant to Section 15a of the German Securities Trading Act (WpHG):

Date and place of the transaction	Person subject to reporting obligation	Information on the person subject to reporting obligation	Financial instrument	Transaction	Unit price in euros	Units	Transaction volume in euros
12.05.2009 OTC	Ilse Schick	Spouse of a person with executive duties	Share	Sale	11.30	210,000	2,373,000
12.05.2009 OTC	Gerhard Schick	Supervisory Board member	Share	Sale	11.30	207,300	2,342,490
12.05.2009 OTC	Karin Schick	Supervisory Board member	Share	Purchase	11.30	417,300	4,715,490
18.12.2009 OTC	BWK GmbH Unternehmensbeteiligungsgesellschaft	Legal entity closely related to a person with executive duties	Share	Sale	16.40	3,916,507	64,230,715
18.12.2009 OTC	BWK 2. Vermögensverwaltungsgesellschaft mbH	Legal entity closely related to a person with executive duties	Share	Purchase	16.40	3,916,507	64,230,715

Pursuant to Section 26 (1) in conjunction with Section 21 (1) of the German Securities Trading Act (WpHG), Bechtle is also under the obligation to provide information about material changes in its shareholder structure, as soon as an investor reaches, exceeds, or falls below 3, 5, 10, 15, 20, 25, 30, 50, or 75 per cent of the voting rights in the company by purchasing or selling shares or in any other way. Bechtle publishes this information after being notified by the shareholder according to the legal provisions.

In the financial year 2009, we received the following notifications:

Pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), JPMorgan Chase & Co., New York, USA, informed us on 26 March 2009 that on 23 March 2009, its share of voting rights in Bechtle AG, Neckarsulm, Germany, ISIN: DE0005158703, WKN: 515870, fell below the threshold of 3 per cent of the voting rights and now amounts to 0.00 per cent (corresponds to 0 voting rights).

Pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), JPMorgan Asset Management Holdings Inc., New York, USA, informed us on 26 March 2009 that on 23 March 2009, its share of voting rights in Bechtle AG, Neckarsulm, Germany, ISIN: DE0005158703, WKN: 515870, fell below the threshold of 3 per cent of the voting rights and now amounts to 0 per cent (corresponds to 0 voting rights).

Pursuant to Section 21 (1) of the German Securities Trading Act (WpHG), BWK 2. Vermögensverwaltungsgesellschaft mbH, Stuttgart, Germany, informed us on 18 December 2009 that on 18 December 2009, its share of voting rights in Bechtle AG, Neckarsulm, Germany, ISIN: DE0005158703, WKN: 515870, exceeded the thresholds of 3, 5, 10, and 15 per cent of the voting rights and now amounts to 18.47 per cent (corresponds to 3,916,507 voting rights).

Shareholding of Board Members

The shareholding of Executive Board and Supervisory Board members of Bechtle AG is as follows:

NUMBER OF BECHTLE AG SHARES – EXECUTIVE BOARD

	31.12.2009	31.12.2008
Dr. Thomas Olemotz	0	0
Michael Guschlbauer	0	0
Jürgen Schäfer	4,000	4,000

NUMBER OF BECHTLE AG SHARES – SUPERVISORY BOARD

	31.12.2009	31.12.2008
Shareholder representatives		
Kurt Dobitsch	0	0
Dr. Walter Jaeger	0	0
Gerhard Schick	0	207,300
Karin Schick	7,208,287 ¹	6,790,987
Klaus Winkler	725	725
Dr. Jochen Wolf	3,916,507 ²	3,916,507 ³
Employee representatives		
Udo Bettenhausen	0	0
Uli Drautz	1,644	1,644
Daniela Eberle	0	0
Jürgen Ergenzinger	0	0
Sonja Glaser-Reuss	1,000	1,000
Barbara Greyer	0	0

¹ 815,272 shares for Schick GmbH, 340,115 for Amaury Krief

² For BWK 2. Vermögensverwaltungsgesellschaft mbH

³ For BWK GmbH Unternehmensbeteiligungsgesellschaft

Accounting and auditing of Annual Financial Statements

Bechtle prepares the Consolidated Financial Statements and the interim reports according to the applicable rules of the International Financial Reporting Standards (IFRS) as applied in the EU and the Annual Financial Statements of Bechtle AG according to the regulations of the German Commercial Code (HGB).

The Annual Financial Statements were again audited by the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, which the Annual General Meeting had appointed as auditor for the financial year 2009.

Before submitting the election proposal, the audit firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft issued a declaration of independence pursuant to Section 7.2.1 (1) of the German Corporate Governance Code (DCGK). According to this declaration, there are no business, personal, financial, or other relationships between the audit firm and the Bechtle Group, which could cast doubt on the auditors' independence. Moreover, the audit firm was not involved in the accounting or preparation of the Annual or Consolidated Financial Statements.

The auditor will participate in the Supervisory Board discussions on the Annual and Consolidated Financial Statements and the balance sheet meeting on 16 March 2010 and will report the results of his audit. Moreover, he will provide additional information and answer questions of the Supervisory Board concerning the audit.

Declaration of Conformity with the German Corporate Governance Code

On 5 February 2010, the Executive Board and the Supervisory Board renewed the Declaration of Conformity with the German Corporate Governance Code in its current form and made it permanently available to the shareholders on the company's Web site:

The following Declaration of Conformity refers to the recommendations of the "Government Commission on the German Corporate Governance Code" in the version of 6 June 2008 for the period from 5 February 2009 to 4 August 2009 and in the version of 18 June 2009 for the period from 5 August 2009 to the time of this Declaration.

The Executive Board and the Supervisory Board of Bechtle AG declare that since the last Declaration of Conformity on 5 February 2009, all recommendations of the "Government Commission on the German Corporate Governance Code" except for the following recommendations have been and will be complied with:

D&O insurance deductible for the Executive Board and Supervisory Board

No deductible has been agreed for the D&O insurances for the Executive Board and the Supervisory Board. In the case of the D&O insurance for the Executive Board, the statutory transitional provision is made use of due to commitments in the employment contracts, which can only be changed when renewing the contracts. In the case of the D&O insurance for the members of the Supervisory Board, the company does not believe that a deductible would increase the sense of responsibility and motivation of the Supervisory Board. (Section 3.8 DCGK)

Long-term structure of the Executive Board compensation

In the opinion of the Supervisory Board, the compensation agreed in the current Executive Board contracts is appropriate and does not encourage the taking of undue risk. However, the variable compensation components currently do not have any perennial assessment basis, and negative developments were not taken into consideration in the determination of the variable compensation components. In this regard, Bechtle AG does not comply with the Code. However, the Supervisory Board is currently examining an adjustment of the Executive Board compensation to the provisions of the Code. (Section 4.2.3 (2) DCGK)

Severance cap in Executive Board contracts

The Supervisory Board has not entered any agreement with the Executive Board members in case of premature termination of the board activity without good cause. Thus, the legal provisions apply in this case. In the opinion of the Supervisory Board, the legal provisions adequately account for the mutual interests in the event of departure of an Executive Board member and therefore form an appropriate basis. The company intends to continue to use this approach. (Section 4.2.3 (4) DCGK)

Individualised disclosure of the Executive Board compensation

Bechtle AG publishes the Executive Board compensation in the corporate governance report, divided into non-performance-related and performance-related components. According to the Annual General Meeting resolution of 20 June 2006, this information is not presented in individualised form. This resolution is valid until the Annual General Meeting that decides about the granting of discharge for the financial year 2010. In view of the relatively small number of Executive Board members, the company is of the opinion that the disclosure of the total Executive Board compensation and the itemisation in fixed and variable components provide adequate transparency. (Section 4.2.4 DCGK)

Establishment of a Nomination Committee

In view of the staffing of the Supervisory Board, the Supervisory Board does not see any need for the formation of a Nomination Committee that is staffed exclusively with shareholder representatives and that proposes suitable candidates to the Supervisory Board for its election proposals. (Section 5.3.3 DCGK)

Performance-related compensation of Supervisory Board members

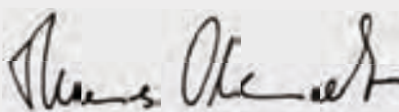
The compensation of the Supervisory Board members does not contain any performance-related component. Bechtle AG believes that all members of the Supervisory Board exercise their duties with maximum commitment and willingness and with a view to the company's long-term success. Therefore, the company does not consider a performance-related component to be necessary for responsible Supervisory Board work. For the time being, the company considers this approach to be appropriate. (Section 5.4.6 (2) DCGK)

Neckarsulm, 5 February 2010

Bechtle AG

On behalf of the Executive Board

On behalf of the Supervisory Board



Dr. Thomas Olemotz



Gerhard Schick

SHARE

In 2009, the German stock market was marked by a high level of volatility that also affected the Bechtle share. Open dialogue and transparent communication are important especially in times of difficult economic conditions in order to maintain the trust in the company and its share. In the past financial year, Bechtle consistently applied this principle.

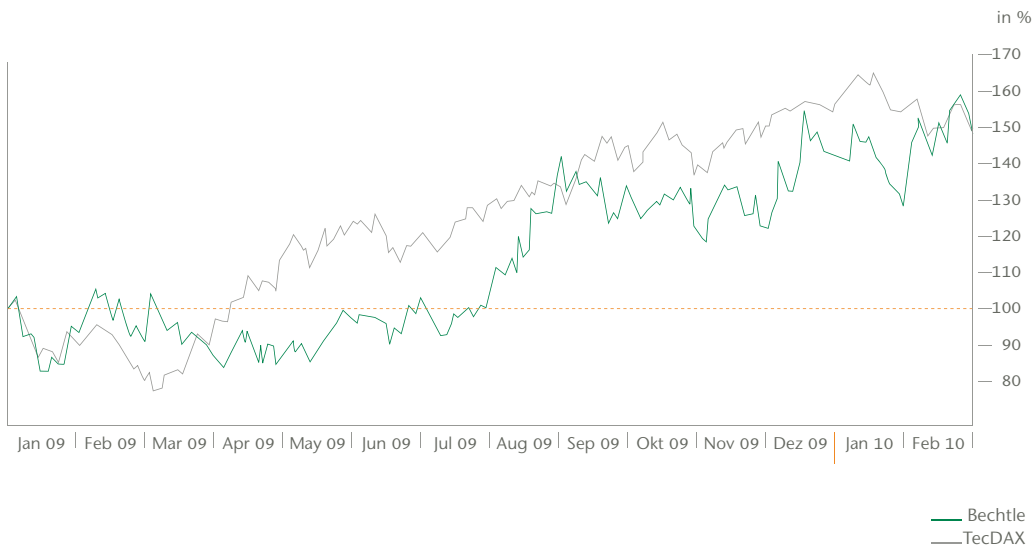
Share market

The international economic and financial crisis continued to push down the stock markets from the beginning of the year until mid-March. After all German key indices had reached their annual low on 6 and 9 March 2009, respectively, prices started to rise continually. In summer, there were signs of a slight economic recovery, after which the indices continued to rise until they reached their high at the end of the year. In the course of the year, the DAX gained almost 24 per cent, closing at 5,957 points on the year's last trading day – just short of the 6,000 mark. In 2009, the SDAX increased by almost 27 per cent to 3,549 points, and the MDAX closed at 7,507 points, 34 per cent higher than a year earlier. The TecDAX, in which Bechtle is also listed, started with the closing level of 525 on 2 January, reached its low of 405 on 6 March, and closed at 818 on the year's last trading day, a remarkable gain of 56 per cent. Thus, technology shares recorded the highest gains among the German key indices.

Share performance

On 2 January 2009, the Bechtle share entered the new trading year with a closing price of 13.28 euros. On 16 January, the price of the share dropped to the annual low of 11.02 euros. Thereafter, the share was able to pick up despite the general trend, reaching 14.00 euros on 9 February. In contrast to the TecDAX, the Bechtle share again lost ground in spring and hovered between 11.00 and 13.00 euros from late March to late July. It was only from early August on that the price followed the key indices and experienced a major surge that culminated in a closing price of 18.78 euros on 31 August, thereby outperforming the TecDAX. Autumn was marked by price fluctuations. The share was worth 15.68 euros on 2 November and reached its annual high of 20.50 euros on 15 December. On the last trading day of the year, Bechtle closed at 18.79 euros. This means an overall increase of 42 per cent in the reporting period.

Share up in 2009

THE BECHTLE SHARE IN COMPARISON TO THE TECDAX from January 2009 to February 2010


Compared to the prior year, the price development resulted in a higher market cap. At the end of the year, the market cap was 394.6 million euros, 105.0 million euros more than at the end of 2008. In relation to the free float, the market value of Bechtle on the reporting date was 185.5 million euros, compared to 140.5 million euros in the prior year.

During the reporting period, an average of 37,129 Bechtle shares were traded every day at the German stock exchanges. In the prior year, the average daily trading volume was 69,743 shares, almost twice the amount. The reason for the lower stock exchange turnover in the TecDAX during the year was that many investors shifted liquidity to conservative investments or increasingly invested in blue chip shares.

In the Deutsche Börse's TecDAX ranking, Bechtle ranked 24th in terms of market cap as of 31 December 2009 (prior year: 22nd place). Due to the reduced share liquidity, Bechtle receded from the 23rd place to the 28th place in terms of trading volume.

KEY FIGURES OF THE BECHTLE SHARE

		2009	2008
Annual opening price	euros	13.28	27.00
Annual closing price	euros	18.79	13.66
Annual high	euros	20.50	27.86
Annual low	euros	11.02	9.64
Performance – absolute	euros	+ 5.51	– 13.34
Performance – in per cent	%	+ 41.5	– 49.4
Market cap – total ¹	million euros	394.6	289.6
Market cap – free float weighted ¹	million euros	185.5	140.5
Average turnover/trading day ²	shares	37,129	69,743
Average turnover/trading day ²	euros	538,189	1,228,978

¹ As of 31 December² All German stock exchanges

Share buy-back programme

In the reporting period, Bechtle proceeded with the share buy-back programme adopted by the Executive Board on 9 October 2008. Under the programme, a total of 461,051 shares were purchased via the stock exchange at an average price of 11.24 euros per share. Upon completion of the buy-back programme, the company decided to retire 200,000 shares. As of the end of the financial year, the equity capital of Bechtle AG amounted to 21,000,000 euros. The remaining 261,051 shares were sold via the stock exchange in the fourth quarter of 2009 without impairing the price. Since then, Bechtle AG has not held any treasury shares.

Share buy-back programme
completed

Shareholder structure

In the course of 2009, Bechtle's shareholder structure remained relatively constant. With her share of 34.33 per cent, Karin Schick, the daughter of one of the company founders, is still the largest shareholder. This figure includes the shares of Schick GmbH, whose partner is Karin Schick, and shares belonging to her underage son. Another 18.65 per cent are held by the investment company BWK GmbH, which had already invested in Bechtle prior to the public offering.

According to the standards of Deutsche Börse, the free float includes all shares of shareholders who hold less than 5 per cent of the equity capital. Shares held by the company itself are excluded. On 31 December 2009, the free float amounted to 47.02 per cent (prior year: 47.52). These shares are held by a wide spectrum of domestic and international private and institutional investors.

Dividend

Since its IPO in 2000, Bechtle has been following a stable dividend policy that is focused on continuity. In the TecDAX, the company is still one of the few companies that have continued to distribute profits to shareholders every year since their IPO. This year, too, the shareholders are to participate in the company's success. For the financial year 2009, the Executive Board and the Supervisory Board propose to the Annual General Meeting to distribute a dividend of 0.60 euros per share. Thus, the dividend is stable for the third year in a row. This decision was also based on the good liquidity position of Bechtle AG, which allows a distribution in this amount although the earnings were considerably lower than in the prior year.

Proposed dividend: 0.60 euros

As of 31 December 2009, the number of shares with dividend entitlement was 21,000,000. Thus, the amount to be distributed for the financial year 2009 amounts to 12.6 million euros. This means a dividend payout ratio of 36.8 per cent of the group earnings after taxes and minority interests. In relation to the annual closing price, the dividend yield is 3.2 per cent.

Earnings per share

In the reporting period, the undiluted earnings per share (EPS) amounted to 1.64 euros, 23.4 per cent less than in the prior year (2.14 euros). The EPS were calculated on the basis of an average of 20,853,034 shares in circulation in the reporting period. The shares purchased by the company under the share buy-back programme were not taken into consideration in the EPS calculation and were deducted on a daily basis.

KEY FIGURES

		2009	2008
Shares with dividend entitlement ¹	quantity	21,000,000	20,990,500
Earnings per share	euros	1.64	2.14
Amount distributed	millions of euros	12.6 ²	12.6
Cash dividend per share	euros	0.60 ²	0.60
Dividend yield ¹	%	3.2	4.4
Price/earnings ratio ¹		11.5	6.4

¹ As of 31 December

² Subject to the approval of the Annual General Meeting

Investor relations

In the capital market, Bechtle enjoys a very good reputation. Especially in times of volatile markets, Bechtle considers transparent and reliable communication with the financial community to be imperative.

The way that analysts view a company has a major impact on the opinion of shareholders and investors. In 2009, a total of nine institutions regularly reported on Bechtle in detailed studies and topical brief analyses: Close Brothers Seydler, Commerzbank, Deutsche Bank, DZ Bank, Landesbank Baden-Württemberg, Merrill Lynch, Metzler, SES Research, and WestLB. Bechtle's regular constructive dialogue with all these institutions was enhanced by analyst visits to the headquarters, various conferences, and joint road shows. In the past financial year, most of the recommendations were "buy" or "hold".

The relationship with existing and potential investors continued to be very intensive in the reporting period 2009. In individual discussions, road shows, and conferences, Bechtle provided information about the company's economic situation, business strategy, and outlook. Furthermore, interested investors made more use of the option to get information about Bechtle within the scope of personal meetings at group headquarters in Neckarsulm, Germany.

The ninth ordinary Annual General Meeting of Bechtle AG on 16 June 2009 in Heilbronn was a key event on the company's calendar. This year, the Bechtle AG's shareholder days were held for the fifth time after the Annual General Meeting. On three dates in July, August, and September, about 100 shareholders visited the company headquarters in Neckarsulm for information about the company's business and strategic orientation. Apart from offering presentations and tours, Bechtle AG uses this event to provide its shareholders with a more profound insight into the company, thereby enhancing the relationship with its shareholders.

The Web site of Bechtle AG (www.bechtle.com) is an important and intensively used information platform for communication with shareholders and the capital market. The Web site is continuously developed by the company, and the contents are updated on a regular basis.

Regular communication
with capital market players

Active participation in share-
holder days

TAKEOVER-RELATED DISCLOSURES

The disclosures required pursuant to Section 315 (4) of the German Commercial Code (HGB) are presented below:

As of 31 December 2009, the company's issued capital amounted to a total of 21,000,000 euros. It is divided into 21,000,000 no-par bearer shares. The amount of the equity capital that is allocated to each share is 1.00 euro. All company shares are issued as ordinary no-par bearer shares. There are no different types of shares. Each share is associated with the same rights and obligations. Each share represents one vote at the Annual General Meeting. This does not apply to treasury shares held by the company, which do not bestow any rights upon the company.

The equity capital has changed compared to 31 December 2008. Following entry in the commercial register on 23 December 2009, a capital reduction of 200,000 euros that was adopted by the Executive Board in exercise of the authorisation of the Annual General Meeting became effective by means of the retirement of a total of 200,000 treasury shares. Bechtle AG had purchased the shares under the share buy-back programme that ended in September 2009.

The Executive Board is not aware of any restrictions relating to voting rights or the transfer of shares.

The company is aware of the following direct or indirect capital interests exceeding 10 per cent of the voting rights as of 31 December 2009:

- Karin Schick, Gaildorf, Germany: 28.82 per cent (direct)
- Karin Schick, Gaildorf, Germany: 5.50 per cent (indirect)
- BWK 2. Vermögensverwaltungsgesellschaft mbH, Stuttgart, Germany: 18.65 per cent (direct)
- BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart, Germany: 18.65 per cent (indirect)

There are no holders of shares with special rights granting powers of control.

There are no employee share ownership plans or similar schemes under which the employees hold an interest in the capital and do not exercise control rights directly.

The appointment and dismissal of members of the Executive Board is governed by Section 84 ff of the German Stock Corporation Act (AktG). On 1 January 2009, the Supervisory Board appointed Michael Guschlbauer and Jürgen Schäfer as new members of the Executive Board. On 1 January 2009, the contract of Dr. Thomas Olemotz was prematurely renewed pursuant to the provisions of Section 84 (1) of the German Stock Corporation Act (AktG). In the reporting period, the company's Supervisory Board did not make use of the option outlined in Section 84 (2) of the German Stock Corporation Act (AktG), according to which a Chairman of the Executive Board can be appointed in case the Executive Board consists of several members. However, Dr. Thomas Olemotz was appointed Spokesman of the Executive Board.

Section 5.1.2 of the German Corporate Governance Code (DCGK) outlines further principles concerning the appointment of the Executive Board. According to these principles, the Supervisory Board is to ensure diversity in the composition of the Executive Board. Furthermore, the Supervisory Board is to implement a long-term succession-plan in collaboration with the Executive Board. In general, the maximum appointment term of five years should not be applied to initial appointments. In the case of contracts whose residual term is more than one year, re-appointment with simultaneous cancellation of the current appointment should only take place in the event of special circumstances. An age limit is to be set for members of the Executive Board. Bechtle AG complies fully with these recommendations. The Articles of Incorporation do not contain any further provisions concerning the appointment or dismissal of Executive Board members.

The conditions for amendments to the Articles of Incorporation are mainly outlined in Sections 179 to 181 of the German Stock Corporation Act (AktG). Amendments to the Articles of Incorporation are subject to a resolution of the Annual General Meeting with a majority of at least three fourths of the equity capital represented during the adoption of the resolution and entry of the amendment to the Articles of Incorporation in the Commercial Register. The Articles of Incorporation may impose a capital majority that is different from the statutory provision (only a greater majority for changing the purpose of the company) as well as other requirements. The Articles of Incorporation of Bechtle AG do not contain any such provision. The Annual General Meeting may confer the authority to make amendments that merely concern the wording on the Supervisory Board. At the company, this has been done by means of Article 10.4 of the Articles of Incorporation. Amendments to the Articles of Incorporation only become effective upon entry in the Commercial Register at the domicile of Bechtle AG.

Pursuant to Section 202 ff of the German Stock Corporation Act (AktG), the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's equity capital by a total of up to 10,600,000 euros by issuing new bearer shares against cash contributions and/or contributions in kind until 15 June 2014 (authorised capital).

Subject to the approval of the Supervisory Board, the Executive Board decides on the exclusion of the subscription right and on details concerning the issue of the new shares. The subscription right may be excluded

- for fractional amounts;
- in the case of capital increases against contributions in kind for the purpose of granting shares for the acquisition of companies or interests in companies;
- in the event of a capital increase against cash contribution, provided the total proportion of the equity capital allocated to the new shares for which the subscription right is excluded does not exceed 10 per cent of the equity capital at the time of the issue and the issue value is not considerably lower than the listed price. The shares (i) that are issued or sold during the term of this authorisation under exclusion of the subscription right in direct or analogous application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) or (ii) that are issued or can be issued to service bonds with conversion and/or option rights shall be offset against this

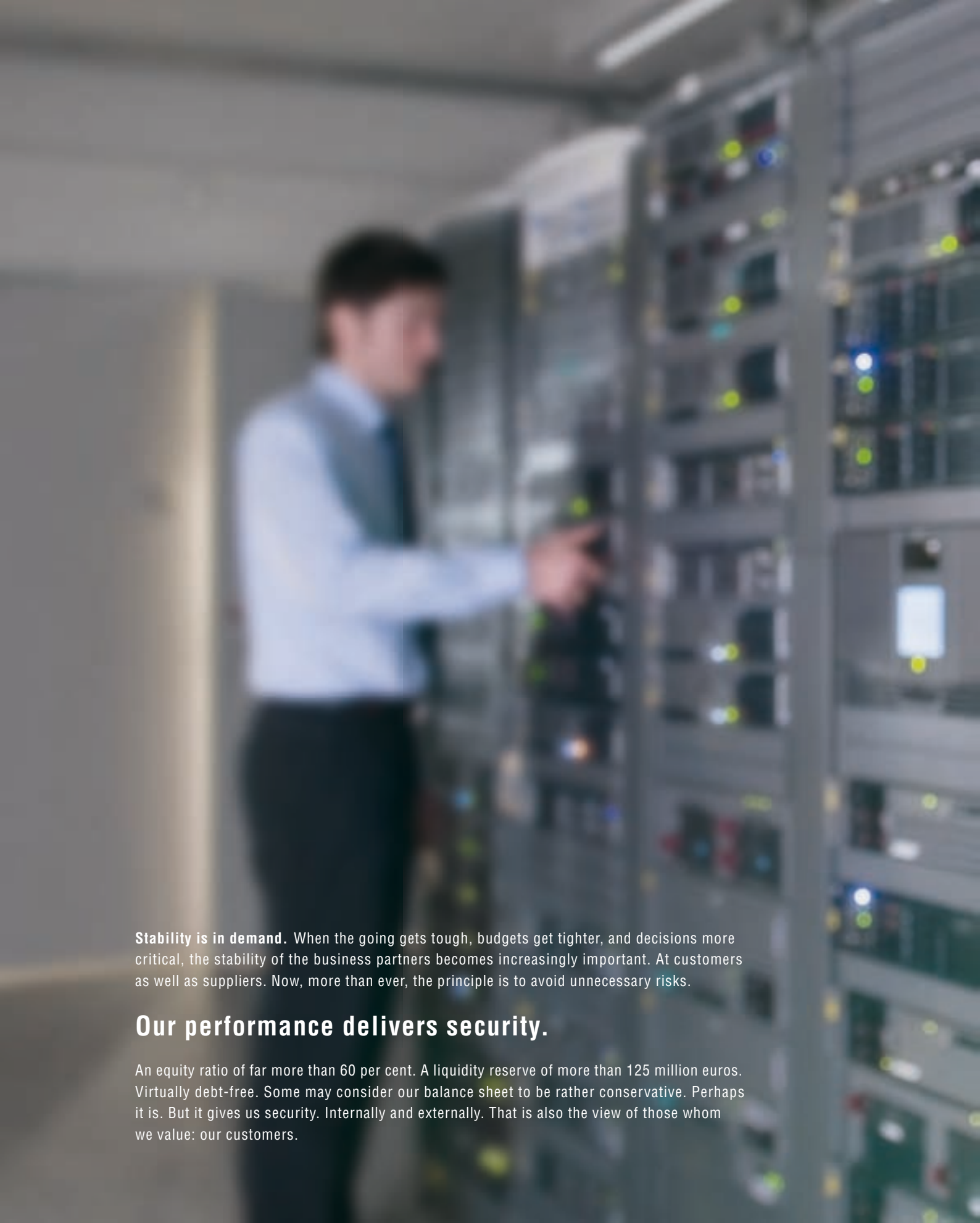
limit of 10 per cent of the equity capital, provided the bonds are issued after this authorisation comes into force in analogous application of section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) under exclusion of the subscription right of the shareholders;
 – in the event of a capital increase for the purpose of issuing employee shares, provided the total proportion of the equity capital allocated to the new shares for which the subscription right is excluded does not exceed 10 per cent of the equity capital at the time of the issue.

The purchase of treasury shares is only possible according to the provisions of Section 71 (1) of the German Stock Corporation Act (AktG) in the event of one of the exceptional situations specified therein. Based on the resolution of the Annual General Meeting of 16 June 2009, the company is authorised to purchase treasury shares pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG). The authorisation came into force on 16 June 2009 and is valid until 15 November 2010. Treasury shares must be purchased via the stock exchange or within the framework of a public bid by the company. The price the company pays per share may not exceed or be lower than the average closing price for the company's shares on the Xetra platform during the last five trading days prior to the purchase of treasury shares or, in the case of a public purchase bid, prior to the date of publication of the public purchase bid, by more than 10 per cent (without ancillary acquisition costs). The scope of the authorisation is limited to up to 10 per cent of the equity capital. The buyback is only permitted for the purposes specified in the resolution. In the reporting period, the company temporarily made use of this authorisation and of the authorisation valid prior to 16 June 2009. (see chapter Share, page 52)

The conditional capital amounting to 2 million euros, which was instituted by resolution of the Annual General Meeting of 1 June 2001, was cancelled by resolution of the Annual General Meeting of 16 June 2009.

The company has no other significant agreements that would apply in the event of a change of control due to a takeover bid.

The company did not conclude any agreements with members of the Executive Board or employees in case of a change of control due to a takeover bid.



Stability is in demand. When the going gets tough, budgets get tighter, and decisions more critical, the stability of the business partners becomes increasingly important. At customers as well as suppliers. Now, more than ever, the principle is to avoid unnecessary risks.

Our performance delivers security.

An equity ratio of far more than 60 per cent. A liquidity reserve of more than 125 million euros. Virtually debt-free. Some may consider our balance sheet to be rather conservative. Perhaps it is. But it gives us security. Internally and externally. That is also the view of those whom we value: our customers.



FRAMEWORK CONDITIONS

MACROECONOMIC ENVIRONMENT

Due to the global crisis, the economic performance in the euro zone dropped substantially in 2009. According to initial figures published by Eurostat, the price-adjusted gross domestic product (GDP) in the euro zone amounted to minus 4.1 per cent, compared to a slight growth of 0.7 per cent in the prior year. In all four quarters of the reporting period, the values were behind the prior-year quarters, though a slight recovery was evident in the course of the year. Thus, the analyses of Eurostat indicate that GDP declined by 5.0 per cent in the first quarter but only by 2.1 per cent in the fourth quarter. The improvement in the course of the year was also evident from the development of the GDP compared to the respective prior quarters. While the economic performance in the first two quarters of the year dropped compared to the prior quarter, the GDP started to pick up from the third quarter of 2009, though the growth in the fourth quarter of 2009 merely reached 0.1 per cent. Gross fixed investments were affected even more severely than the economy in general, receding by 11.6 per cent over the year.

The German economy, too, suffered under the most severe crisis since the end of World War II. The Federal Statistical Office has calculated a GDP slump of 5.0 per cent, the largest decline since the foundation of the Federal Republic of Germany. The quarterly performance more or less corresponded to that of the EU. Nevertheless, the German economy already started to recover in the second quarter compared to the prior quarter; in the fourth quarter, however, it stalled, being unable to pull along with the marginal growth in the euro zone. Especially exports and investments in equipment suffered a great loss in the reporting period. The decline in gross capital investments totalled minus 8.6 per cent, and investments in equipment dropped by a staggering 20.0 per cent. Growth was only recorded in consumer expenditure: 0.4 per cent in private expenditure and a remarkable 2.7 per cent in government expenditure. This figure shows the effects of the car scrapping bonus and the government's economic stimulus packages.

Economic recovery
in the course of the year

INDUSTRY

In the reporting period, the IT industry in Europe was also affected by the macroeconomic development. According to information of the European Information Technology Observatory (EITO), the IT market in the EU shrunk by 5.4 per cent in 2009. With a drop of 11.8 per cent, hardware trading experienced the greatest decline. The business with software products receded by 4.5 per cent. According to EITO, the extent of the decline in the large IT markets of the EU varied.

Spain posted minus 14.5 per cent, Great Britain minus 12.8 per cent, Italy minus 11.7 per cent and France minus 10.6 per cent. In Switzerland, one of Bechtle's key markets, hardware revenues dropped by 6.0 per cent; software trading fared somewhat better, but still ended up with minus 1.6 per cent. Only IT services were able to grow slightly by 0.2 per cent.


In 2009, the German IT market was fully overshadowed by the economic crisis. The industry association BITKOM predicts in March 2010 a decline of 5.4 per cent. Especially the IT hardware segment was affected, with a minus of 10.6 per cent. Apart from the weak demand, the enormous price pressure especially in the field of printers, monitors, and PCs presented a major challenge. The software segment lost 5.2 per cent. The introduction of Windows 7 in the fourth quarter came too late for any discernible positive push. IT services, too, were on the decline at minus 2.5 per cent. At plus 3.0 per cent, outsourcing services appear as a bright spot among these figures.

OVERALL ASSESSMENT

2009 was marked by the global economic crisis. While most of the forecasts were adjusted downwards in the first half of the year, the assessment of the situation started to relax from the third quarter on, and forecasts were raised slightly. Bechtle AG could not escape this recessive environment. The decline was especially obvious in the IT e-commerce segment. In the hardware business, macroeconomic dislocations were evident in a much more direct and straightforward way than in the service business. However, it must be noted that in terms of quantity, Bechtle was able to sell more products in 2009 than in the prior year. Still, this development was impaired by the price pressure or, more precisely, the price slump in the field of hardware. In the IT system house & managed services segment, the business performance was more positive especially in Germany, and the prior-year level was more or less maintained. The public sector provided important stimuli for both segments. Bechtle benefited from the successful development of the public sector division in previous years. Furthermore, the economic stimulus package 1 was effective especially in the second half of the year and was able to at least partly compensate the restrained industrial demand.

German system houses
 exhibit positive performance

Apart from the macroeconomic development and the effects of the economic crisis, there were no other significant events outside the Bechtle Group in the past fiscal year that had a tangible impact on the business performance.



Diversity is in demand. Not a roadside hawker, but a customised IT solution for various individual customer needs. For this, we use our internal network and provide vendor-independent advice. Because it's the best solution that counts.

Our bandwidth is remarkable.

More than 56,000 medium-sized customers rely on Bechtle's competence and experience. Large, international customers also opt for us as a reliable IT partner. Furthermore, we also focus on the special needs of public-sector clients. With a special division.



EARNINGS, ASSETS, AND FINANCIAL POSITION

EARNINGS POSITION

In the fiscal year 2009, the difficult economic framework conditions greatly impaired Bechtle's performance. In many foreign countries, IT expenditure fell substantially due to the economic crisis. In Germany, however, the business was relatively balanced. The crisis affected the two segments IT system house & managed services and IT e-commerce to different degrees. While the revenue in the trading business fell, demand in the service business was largely stable. Following a relatively weak start into the new year, Bechtle continually improved its earnings as the year progressed. Due to the excellent business towards the end of the year, the company was even able to post record revenues in the fourth quarter.

Order position

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

Due to the current business structure, incoming orders are largely reflected in the revenue during a fiscal year. In the reporting period, incoming orders amounted to approximately 1.42 billion euros, slightly less than in the prior year (1.43 billion euros). Organically, the incoming order volume was about 3.0 per cent below the prior year, though an increase of about 1.0 per cent was recorded in the fourth quarter. At segment level, incoming orders developed differently compared to the prior year. In the IT system house & managed services, incoming orders remained at the prior-year level of 0.95 billion euros, while in the IT e-commerce segment, they dropped to 0.47 billion euros (prior year: 0.48 billion euros). The order backlog in the IT system house & managed services is more than one month, slightly more than in the prior year. In IT e-commerce, it is still only a few days.

The managed services area, which takes over the IT operating responsibility for the customer, is characterised by long-term contractual relationships. However, separate figures are not published for this business area.

Incoming orders in the fourth quarter above prior year

Bechtle offers a comprehensive product spectrum that currently comprises about 41,000 IT items. IT products are subject to ongoing price drops. In the past fiscal year, especially the prices of PCs, servers, notebooks, and printers fell by about 11 per cent compared to the prior year, while the incoming order volume was only slightly below the prior-year level. Bechtle was able to counter the price fall by increasing the quantity sold. Due to the variety of products, a breakdown of incoming orders and of the order backlog by prices and quantities would make little sense. Moreover, the product mix is largely determined by the vendors and the customer demand and is only actively controlled by Bechtle to a very limited extent.

Increased sales counter price slump

In the fiscal year under review, two large orders were received from the Federal Office for Information Management and Information Technology of the Bundeswehr and from Dataport, the information and communication technology service provider of the states of Schleswig-Holstein, Hamburg, and Bremen, which are of great significance to the group and whose revenue volume over a period of up to six years is in the higher two-digit million range. In the past fiscal year, these two orders accounted for approximately 11 million euros of the revenue.

As of the end of the year, the order backlog was worth approximately 139 million euros, compared to about 102 million euros in the prior year. The increase was mainly due to supply bottlenecks of the manufacturers and distributors towards the end of the year. Of the entire order backlog, the IT system house & managed services segment accounted for about 120 million euros (prior year: 89 million euros), and the IT e-commerce segment for about 19 million euros (prior year: 13 million euros).

Revenue performance

In the fiscal year 2009, the group generated a total revenue of 1.38 billion euros. This was the first time in the company's history that Bechtle generated less revenue than in the prior year.

REVENUE in million euros

2005	1,178	+8.3%
2006	1,220	+3.6%
2007	1,383	+13.4%
2008	1,431	+3.5%
2009	1,379	-3.6%

The revenue dropped from 1,431.5 million euros in the prior year to 1,379.3 million euros. Thus, the decline in the reporting period amounted to 3.6 per cent. Without taking the acquisitions and divestments performed in the prior year into consideration, group revenue fell by 4.1 per cent.

The main cause of this development in the reporting period lies with the foreign system houses and e-commerce companies, whose revenues remained almost 6 per cent and 9 per cent, respectively, under the prior-year figure. While the German system houses recorded a generally balanced trend in 2009, the demand was lower due to the weak economy. However, the slight recovery of the economic framework conditions in the third quarter of 2009 increased the business dynamics towards the end of the year.

This development can also be seen from an examination of the individual quarters. The seasonality of Bechtle's business during the year and the great significance of the fourth quarter remain unchanged. Despite the economic crisis, revenue increased during the course of the year. Therefore, the revenue of the fourth quarter, which amounted to 414.5 million euros, about 2.4 per cent more than the revenue of the comparable record quarter of 2008, is especially noteworthy.

Revenue record in the fourth quarter

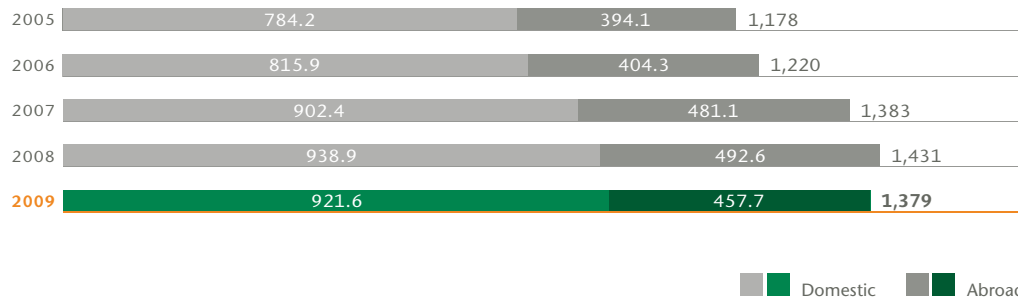
REVENUE PERFORMANCE in million euros

	Q1		Q2		Q3		Q4	
	2009	2008	2009	2008	2009	2008	2009	2008
Revenue	318.9	336.9	322.6	344.5	323.3	345.4	414.5	404.8
% of total annual revenues	23.1	23.5	23.4	24.1	23.4	24.1	30.1	28.3

Due to the rise in the average number of employees and the drop in revenue, Bechtle's group productivity decreased in 2009. Based on an average number of 4,058 full-time employees (prior year: 3,971), the revenue per employee amounted to 340 thousand euros, compared to 360 thousand euros in the prior year.

Germany continues to be the most important market for Bechtle. The domestic revenue totalled 921.6 million euros (prior year: 938.9 million euros), which represents a share of 66.8 per cent (prior year: 65.6 per cent) of the total revenue. The international revenue of 457.7 million euros (prior year: 492.6 million euros) accounted for 33.2 per cent of the total revenue (prior year: 34.4 per cent). Thus, compared to the prior year, the revenue distribution shifted slightly in favour of the domestic market. This shows that the demand in other countries was affected more severely by the general economic crisis than the demand in Germany.

REGIONAL REVENUE DISTRIBUTION in million euros



Despite buying reluctance in the industrial field, the public-sector business performed very well in 2009. Revenues with public-sector clients in Germany increased by 32.8 per cent to 290.6 million euros (prior year: 218.8 million euros). The revenues in this customer segment accounted for 21.1 per cent of the total revenue (prior year: 15.3 per cent).

Substantially increased revenue with public-sector clients

Cost and earnings performance

Cost of sales

The reduction of the group revenue by 3.6 per cent also resulted in a decrease in gross profit. As the cost of sales fell by only 2.8 per cent, the reduction of the gross profit by 8.5 per cent to 199.5 million euros (prior year: 218.1 million euros) represented a disproportionate decline. Thus, the gross margin also declined from 15.2 per cent to 14.5 per cent. One of the reasons for the relatively small reduction of the cost of sales is the higher average number of employees in production and service. Another factor that contributed to this development was the continued price pressure in the industry.

COST OF SALES/GROSS PROFIT in million euros

	2005	2006	2007	2008	2009
Cost of sales	1,020.4	1,046.6	1,188.1	1,213.3	1,179.8
Gross profit	157.9	173.6	195.3	218.1	199.5
Gross margin in %	13.4	14.2	14.1	15.2	14.5

Distribution costs and administrative expenses

In 2009, distribution costs amounted to 87.9 million euros, 2.8 per cent less than in the prior year (90.5 million euros). The distribution cost ratio increased slightly from 6.3 per cent to 6.4 per cent. Apart from the marketing activities in the newly established national markets Ireland and Portugal, this was caused by the reduced marketing grants of the manufacturers. Administrative expenses remained almost stable, increasing by 0.6 per cent to 76.2 million euros (prior year: 75.7 million euros). As expected, the ratio grew from 5.3 per cent to 5.5 per cent. However, employees were differently allocated between the individual functional divisions in the fiscal year 2009. Thus, Bechtle discloses more administrative staff than in the prior year. Though the cost reduction measures counteracted this effect, they were not able to compensate it fully in terms of earnings.

Other operating income dropped from 8.3 million euros to 7.3 million euros. In the prior year, special effects from the sale of TomTech amounting to 0.5 million euros were included. Furthermore, there were changes resulting from the currency exchange.

DISTRIBUTION COSTS/ADMINISTRATIVE EXPENSES in million euros

	2005	2006	2007	2008	2009
Distribution costs	68.5	73.7	81.4	90.5	87.9
Distribution costs ratio in %	5.8	6.0	5.9	6.3	6.4
Administrative expenses	55.5	62.7	67.2	75.7	76.2
Administrative expense ratio in %	4.7	5.1	4.9	5.3	5.5

Marketing Expenses

The marketing expenses of Bechtle AG are part of the distribution costs, except for the expenses for the Bechtle catalogue, which are allocated to the cost of sales. Broken down by segments, the marketing expenses in the reporting period amounted to 1.7 million euros in IT e-commerce (prior year: 2.6 million euros) and 1.5 million euros in IT system house & managed services (prior year: 1.7 million euros).

As a trading company, Bechtle sells third-party products in the IT e-commerce segment. As is usual in this sector, marketing expenses are mostly balanced by income in the form of vendor incentives. In the IT system house & managed services segment, too, many of the marketing campaigns are supported by the vendors. Thus, the said expenses only have a minor impact on the company's earnings position.

The catalogues of *ARP Datacon* and *Bechtle direct* are among the most important marketing instruments in IT e-commerce. They are published two to three times a year with an average print run of 80,000 and 150,000 copies, respectively, in up to twelve country versions. The issues are centrally prepared for all countries. The other marketing campaigns in this segment mainly concern product advertising via mailing campaigns and the weekly dispatch of printed product information. Bechtle also makes limited use of online advertising. The individual international subsidiaries are largely free to select their own marketing campaigns in order to take the specific needs of the respective national markets into consideration. The main focus is on online marketing in some countries and on printed publications in others.

In the IT system house & managed services segment with its decentralised structure, especially the system houses conduct marketing campaigns in their individual target regions. Thus, numerous activities like customer events, IT forums, and in-house fairs took place in the reporting period. Such events are organised and rolled out by the respective locations. The IT system houses get support from the central event management of Bechtle AG and from corporate communication.

The holding also engages in supporting and accompanying marketing activities, especially for the competence centres or the central managed services division. All campaigns mainly serve the presentation of Bechtle's product and service portfolio and customer bonding. The key elements of the central marketing campaigns are the customer journal "Bechtle update" and the Bechtle Competence Centre Day (CC Day). "Bechtle update" is published four times a year and reports about the latest events in the company and successful projects and presents the locations of the Bechtle Group. At the annual CC Day, Bechtle presents the entire bandwidth of its range of services to customers and to its own employees at company headquarters in Neckarsulm. In the reporting period, about 1,100 people visited the CC Day.

**Record attendance
at CC Day**

Bechtle usually does not participate in professional trade shows with its own booths, but in cooperation with vendors or partners at their booths.

Earnings situation

Despite higher depreciation and amortisation, earnings before interest, taxes, depreciation, and amortisation (EBITDA) dropped by 23.1 per cent to 57.0 million euros (prior year: 74.1 million euros). Accordingly, the EBITDA margin fell from 5.2 per cent to 4.1 per cent.

EBITDA in million euros

2005	53.1	+8.5%
2006	60.2	+13.3%
2007	71.8	+19.2%
2008	74.1	+3.3%
2009	57.0	-23.1%

Depreciation and amortisation amounted to 14.3 million euros, about 2.5 per cent more than in the prior year (13.9 million euros). Software and property, plant and equipment accounted for 10.1 million euros, the bulk of the amount (prior year: 9.6 million euros). The property, plant and equipment mostly consisted of the company's own IT and office equipment. Moreover, depreciation of property, plant and equipment included tenant installations and assets used by the customer under long-term maintenance agreements.

Customer bases and customer service agreements accounted for other amortisation amounting to 4.2 million euros (prior year: 3.7 million euros). The increase was mainly related to the system house companies acquired in the prior year. The amortisation was only applied partly in 2008 and was fully recognised in the reporting period.

At 1.0 per cent, the depreciation and amortisation rate remained at the prior-year level and is rather insignificant compared to the other expense items. For 2009, the impairment test of the goodwill again did not reveal any need for impairment.

Earnings before interest and taxes (EBIT) decreased by 29.1 per cent to 42.7 million euros (prior year: 60.2 million euros).

EBIT in million euros

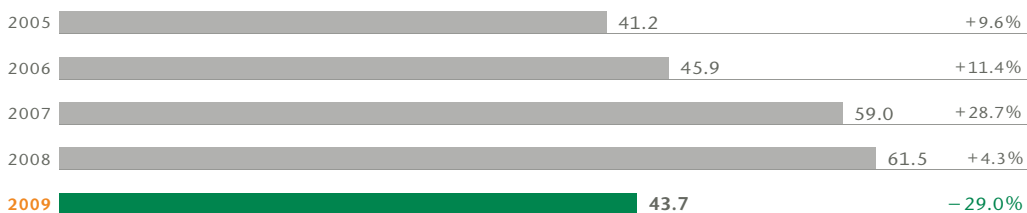
2005	41.2	+9.1%
2006	45.7	+11.0%
2007	58.3	+27.4%
2008	60.2	+3.4%
2009	42.7	-29.1%

Due to the general development of the interest rates, the financial earnings, i.e. the balance of the interest expenses and the interest income, dropped to 1.0 million euros in the reporting period (prior year: 1.3 million euros).

Earnings before taxes (EBT) declined by 29.0 per cent from 61.5 million euros to 43.7 million euros. Despite the difficult economic environment, the earnings situation improved in the course of the year especially due to the cost reduction measures. In the fourth quarter, Bechtle AG recorded a 43.1-per-cent contribution to earnings amounting to 18.8 million euros, only slightly less than the very strong prior-year quarter (20.2 million euros).

Strong contribution to earnings in fourth quarter

EBT in million euros



At 3.2 per cent (prior year: 4.3 per cent), the EBT margin in the reporting period continued to be above the industry average.

EBT MARGIN in per cent



Income tax expenses fell disproportionately by 41.6 per cent from 16.1 million euros to 9.4 million euros. Apart from the reduced profitability, this was due to the use of losses carried forward at subsidiaries under the German Economic Growth Acceleration Act (Wachstumsbeschleunigungsgesetz). Thus, the tax ratio was reduced from 26.2 per cent to 21.5 per cent.

Earnings after tax amounted to 34.3 million euros, 24.6 per cent less than in the prior year (45.4 million euros). Accordingly, the earnings per share (EPS) dropped by 23.4 per cent to 1.64 euros (prior year: 2.14 euros). The reason for the slightly lower decrease in EPS compared to the earnings after tax was the lower number of average shares as a result of the share buy-back programme and the retirement of 200,000 shares.

EPS in euros

2005	1.38	+15.0%
2006	1.39	+1.1%
2007	1.93	+38.3%
2008	2.14	+11.1%
2009	1.64	-23.4%

The individual financial statements of Bechtle AG form the basis for the appropriation of retained earnings and thus for the distribution of dividends. The reported annual profit was 17.7 million euros. After adding 5.3 million euros to the reserves and carrying forward 0.2 million euros of the profit, the retained earnings for the fiscal year 2009 amounted to 12.6 million euros. The Executive Board proposes to the Supervisory Board to distribute the retained earnings to the shareholders and to submit a proposal for payment of a dividend of 0.60 euros per share to the Annual General Meeting. In this way, the dividend per share would be at the prior-year level. At the time of preparation of the report on 4 March 2010, there were 21,000,000 shares entitled to dividends.

Reliable dividend policy**Segment report**

The activities of the Bechtle Group are associated with the two segments IT system house & managed services and IT e-commerce. This split reflects the main pillars of the business model, which combines the vendor-independent centralised direct sale of IT products (IT e-commerce) with the decentralised provision of services and IT infrastructure trading (IT system house & managed services) in an integrated approach.

IT system house & managed services

In 2009, Bechtle AG generated revenues of 920.0 million euros (prior year: 927.5 million euros) in the IT system house & managed services segment. This means a slight decrease of 0.8 per cent or 7.6 million euros. In view of the difficult economic framework conditions, this segment did quite well in the reporting period. The service-driven projects and service contracts usually involve

medium or long terms and are therefore less susceptible to economic trends than the short-term trading-only business. Moreover, the good competitive position of Bechtle AG and the continuous staff qualification measures yielded a positive effect in the reporting period. All in all, Bechtle generated 66.7 per cent of the group revenues in this segment (prior year: 64.8 per cent).

SEGMENT REVENUE IT SYSTEM HOUSE & MANAGED SERVICES in million euros

2005	811.0	+11.1%
2006	817.0	+0.7%
2007	885.8	+8.4%
2008	927.5	+4.7%
2009	920.0	-0.8%

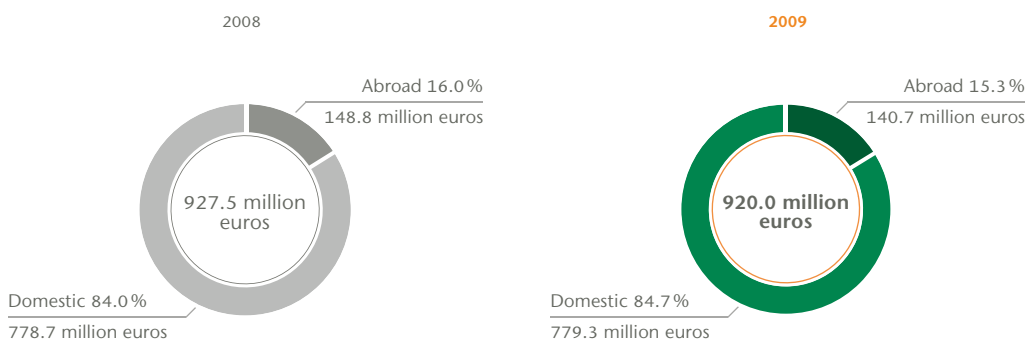
Due to the revenue drop and increased number of employees, the productivity in the IT system house & managed services segment lost ground in the reporting period. Based on an average number of 3,178 full-time employees (prior year: 3,048 employees), the revenue per employee in the reporting period shrunk by 4.9 per cent to 289 thousand euros (prior year: 304 thousand euros).

At 779.3 million euros, the revenue share of the domestic system houses amounted to 84.7 per cent, almost the same as in the prior year (84.0 per cent, 778.7 million euros).

Domestic system houses increase revenue share

The share of the foreign system houses amounted to 140.7 million euros compared to 148.8 million euros in the prior year, accounting for 15.3 per cent of the segment revenue.

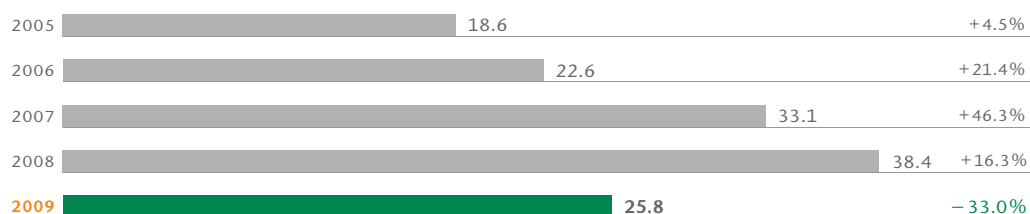
REVENUE DISTRIBUTION IN THE IT SYSTEM HOUSE & MANAGED SERVICES SEGMENT



Organically, the revenue in this segment amounted to 905.0 million euros, 2.4 per cent less than in the prior year. The system house companies acquired in Germany and Austria in the prior year reported revenues of 14.9 million euros.

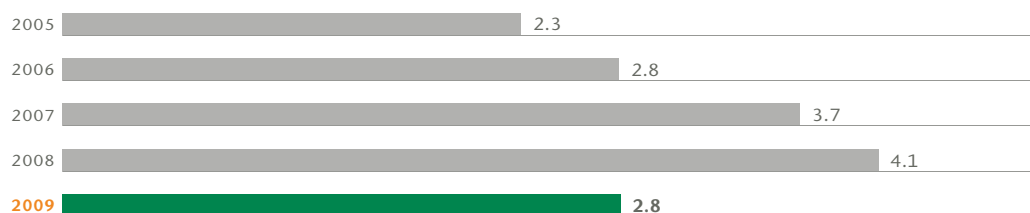
In 2009, the EBIT in the IT system house & managed services segment dropped by 33.0 per cent to 25.8 million euros (prior year: 38.4 million euros). This figure is considerably lower than the prior-year figure. This was mainly due to the weak revenue performance in comparison with the costs and the increase in personnel expenses.

EBIT IN THE IT SYSTEM HOUSE & MANAGED SERVICE SEGMENT in million euros



Accordingly, the EBIT margin dropped from 4.1 per cent to 2.8 per cent. This development mainly reflects the reduced employee capacity utilisation in the IT system house & managed services in the year of the crisis.

EBIT MARGIN IN THE IT SYSTEM HOUSE & MANAGED SERVICE SEGMENT in per cent



IT e-commerce

In the IT e-commerce segment, the revenue in the fiscal year 2009 totalled 459.4 million euros, 8.8 per cent less than in the prior year (503.9 million euros). The effects of the macroeconomic slowdown were most clearly felt in this segment.

IT E-COMMERCE SEGMENT REVENUE in million euros

2005	367.2	+2.5%
2006	403.1	+9.8%
2007	497.7	+23.5%
2008	503.9	+1.3%
2009	459.4	-8.8%

Furthermore, the sale of the e-commerce company TomTech, which took place in the last reporting period, must be taken into consideration. In the prior year, TomTech had contributed about 8.6 million euros to the revenue, which is why organically, the revenue decline of minus 7.3 per cent was slightly lower compared to the prior year. The share of the trading business in the total revenue fell slightly from 35.2 per cent in the prior year to 33.3 per cent.

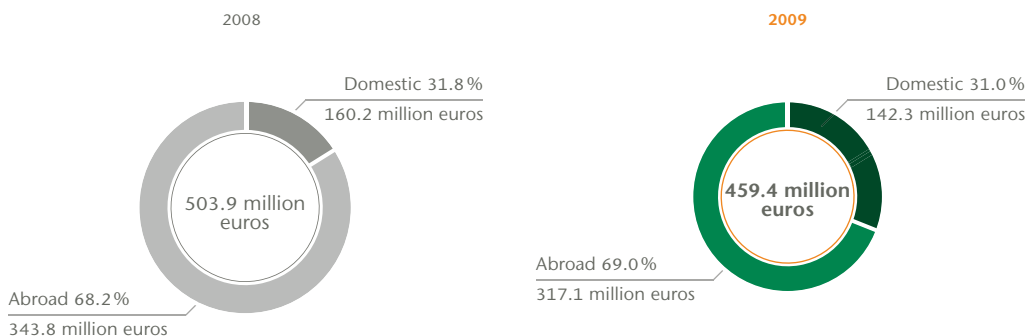
In the reporting period, the price pressure continued especially in the field of hardware products. Thus, the quantities sold had to be increased substantially in order to achieve adequate revenues. Yet, the price slump and the dwindling demand due to the economic crisis could not be compensated fully.

In 2009, Bechtle had an average of 880 full-time employees in the IT e-commerce segment (prior year: 923). In the past year, the revenue per employee dropped to 522 thousand euros (prior year: 546 thousand euros).

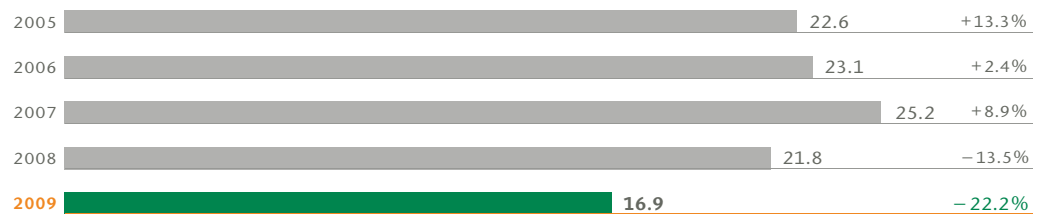
Due to the internationalisation strategy, the foreign share of IT e-commerce is on the rise. In the reporting period, the revenues of the international companies amounted to 317.1 million euros (prior year: 343.8 euros), a share of 69.0 per cent (prior year: 68.2 per cent). The domestic trading companies accounted for 142.3 million euros (prior year: 160.2 euros), a share of 31.0 per cent (prior year: 31.8 per cent) of the segment revenue.

Foreign share in e-commerce on the rise

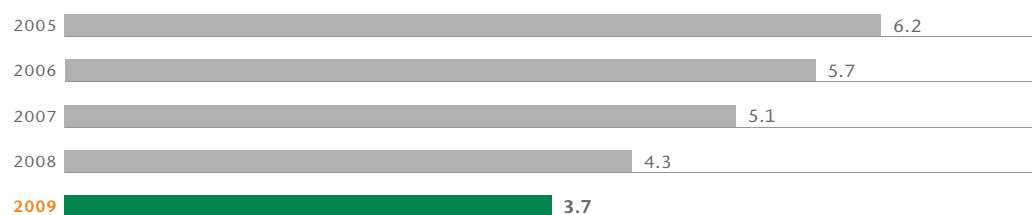
REVENUE DISTRIBUTION IN THE IT E-COMMERCE SEGMENT



In the reporting period, the EBIT in the IT e-commerce segment fell by 4.8 million euros from 21.8 million euros to 16.9 million euros. This clearly shows that despite the reduction of the number of employees, the cost basis in this segment could not be reduced according to the revenue performance. Furthermore, Bechtle's new markets Ireland and Portugal again necessitated investments in 2009. Moreover, preparations were made for the market entries of *Bechtle direct* in Poland and *Comsoft direct* in Belgium.

EBIT IN THE IT E-COMMERCE SEGMENT in million euros


The EBIT margin in the trading segment fell from 4.3 per cent to 3.7 per cent. In the medium term, IT e-commerce continues to target a margin of 5 per cent.

EBIT MARGIN IN THE IT E-COMMERCE SEGMENT in per cent


ASSETS POSITION

In times of economic hardship, the importance of a sound balance sheet is greatly appreciated not only by the capital market, but also by the partners and customers of an enterprise. Thanks to the excellent key figures in its balance sheet, Bechtle mastered the critical reporting period without sustaining any damage. The company was even able to further improve relevant balance sheet indicators, most importantly the equity ratio.

As of the closing date 31 December 2009, the balance sheet total of the Bechtle Group amounted to 520.7 million euros, a growth of 24.6 million euros or 5.0 per cent over the prior year.

CONDENSED BALANCE SHEET in million euros

	2005	2006	2007	2008	2009
Assets					
Non-current assets	140.3	143.0	145.6	157.0	164.5
Current assets	273.6	275.2	305.9	339.1	356.1
Equity and liabilities					
Equity	237.4	249.2	276.5	311.4	335.0
Non-current liabilities	26.9	28.1	23.8	31.0	32.3
Current liabilities	149.6	143.4	151.2	153.7	153.4
Balance sheet total	413.9	420.8	451.4	496.1	520.7

On the assets side, non-current assets amounted to 164.5 million euros, 4.8 per cent more than in the prior year. As a result of Bechtle's building activities, property, plant and equipment increased by 4.0 million euros in the reporting period. The increase in deferred taxes by 5.2 million euros was the result of capitalised unused losses of subsidiaries, which were duly taken into consideration in the tax assessment. Capital investments and securities accounted for 3.0 million euros of the increase. Due to scheduled amortisation, other intangible assets dropped by 4.6 million euros. As Bechtle did not acquire any companies in the reporting period, the goodwill remained more or less on the level of 2008, totalling 106.4 million euros. At Bechtle, investments are largely constant and mainly concern replacements and expansions. In the reporting period, the investment ratio was 32.7 per cent, only slightly under the prior-year figure (33.3 per cent).

The investment ratio (ratio of non-current assets to the balance sheet total) remained at 31.6 per cent. The coverage of the non-current assets by the equity increased from 198.4 per cent in the prior year to 203.6 per cent in the reporting period.

Current assets amounted to 356.1 million euros, 5.0 per cent more than in the prior year. One key reason for this was the increase in liquidity. Cash and cash equivalents including capital investments and securities increased by 22.3 per cent from 77.6 million euros to 95.0 million euros. Together with unused credit lines amounting to 34.7 million euros (prior year: 39.9 million euros), the Bechtle Group has a solid liquidity reserve of 129.7 million euros (prior year 117.5 million euros), which leaves enough freedom for further acquisitions and future growth. Of the credit lines of about 36.8 million euros available as of the end of the fiscal year, Bechtle had utilised 2.1 million euros for guarantee credits.

Liquidity reserve up despite crisis

A higher business volume and an increase in incoming orders in the IT system house & managed services segment towards the end of the year inflated the inventories by 7.2 million euros to 59.3 million euros as of 31 December 2009. The ratio of inventories to revenues increased from 3.6 per cent to 4.3 per cent, mainly due to the lower total annual revenue. The value indicates that Bechtle only ties up a small amount of capital in the form of stock on hand. Moreover, the majority of the inventories are linked directly to projects and are prefinanced on behalf of the customer. As of the reporting date, trade receivables had dropped by 2.3 per cent to 184.0 million euros (prior year: 188.4 million euros). In this context, the receivables management of Bechtle AG ensures a relatively low DSO of 36.2 days (prior year: 38.4 days).

Inflation and exchange rates did not have any major impact on the assets. The balance sheet items are mostly calculated in euros, and the inflation rates in the reporting year remained on a low level in the key markets.

In the business of Bechtle AG, which does not intensively involve property, plant and equipment, the ROCE (return on capital employed) is mainly characterised by the development of current assets and liabilities on the one hand and the earnings performance on the other. In previous years, Bechtle's ROCE remained largely stable at around 20 per cent. In the reporting period, it amounted to 15.7 per cent (prior year: 22.7 per cent). Against the backdrop of the earnings performance, this change can be attributed to the increase in average capital employed. While the EBIT decreased by 29.1 per cent compared to the prior year, the average capital employed increased by 2.8 per cent from 264.9 million euros to 272.2 million euros.

ROCE in % | CAPITAL EMPLOYED in million euros

	2005	2006	2007	2008	2009
ROCE	20.0	19.7	23.4	22.7	15.7
Capital employed	205.9	231.6	249.5	264.9	272.2

In relation to the balance sheet total, the working capital fell from 28.7 per cent in the prior year to 26.8 per cent. This was due to the lower build-up of trade receivables and the volume of prepayments in accruals and deferrals towards the end of the year.

WORKING CAPITAL in million euros

	2005	2006	2007	2008	2009
Working capital	101.0	121.4	134.9	142.5	139.5
In % of the balance sheet total	24.4	28.9	29.9	28.7	26.8

On the liabilities side, current liabilities totalled 153.4 million euros, about the same level as in the prior year (153.7 million euros). On the reporting date, trade liabilities amounted to 79.5 million euros, 4.6 per cent under the prior-year value of 83.3 million euros. Current financial liabilities dropped considerably, totalling 2.6 million euros compared to 10.5 million euros in the prior year. Other current liabilities climbed from 40.8 million euros to 42.4 million euros. This balance sheet item mainly consists of liabilities due to personnel. In line with the business performance, these liabilities dropped because of the lower performance-related compensation components of the employees in the reporting period. In contrast, VAT liabilities increased due to the strong business performance in the fourth quarter. Accruals and deferrals increased from 10.7 million euros to 19.6 million euros. This was also due to the positive business performance in the last quarter, especially in December. Especially prepayments gained considerably. The non-current financial liabilities of the Bechtle Group as of 31 December 2009 increased by 1.4 million euros to 6.6 million euros. All in all, the share of non-current liabilities in the balance sheet total remained at 6.2 per cent.

Bechtle debt-free

As of the closing date, there were no contingencies toward special-purpose entities not included in the Consolidated Financial Statements and no investment obligations.

In the reporting period, the equity increased by 23.5 million euros or 7.5 per cent from 311.4 million euros to 335.0 million euros. The increase was the result of the higher appropriated retained earnings and the disposal or retirement of the treasury shares. Despite the balance sheet extension, the equity ratio increased from 62.8 per cent to 64.3 per cent in the reporting period. Due to the lower earnings after tax, the return on equity dropped to 11.3 per cent.

RETURN ON EQUITY AND RETURN ON TOTAL ASSETS in per cent

	2005	2006	2007	2008	2009
Return on equity	13.8	12.9	16.9	16.9	11.3
Return on assets	8.3	8.0	10.3	10.7	7.4

In the reporting period, the debt coefficient of the Bechtle Group improved to 0.55, compared to 0.59 in the prior year.

Due to the unfavourable economic framework conditions and the balance sheet extension in the reporting period, the return on assets (ROA), a key performance indicator that reflects the return on the total assets employed, deteriorated to 7.4 per cent as of 31 December 2009 (prior year: 10.7 per cent).

The assets position of the segments is presented in the Notes on page 179.

Fair value

In general, the fair value of the current assets corresponds to the carrying value. This also applies to the other intangible assets, property, plant and equipment, receivables from income taxes, accruals and deferrals, other non-current assets, and deferred taxes within the scope of the non-current assets. The valuation method used for the annual impairment test was calculated on the basis of a utilisation value determined by means of a discounted cash flow method. The utilisation value greatly exceeds the recognised goodwill, so that this asset is not impaired. The amount in which the excess applies to goodwill-forming factors or off-balance-sheet intangible assets is not quantifiable. The carrying value of the non-current and current liabilities also basically corresponded to the fair value.

Intangible assets

The assets of a company not only consist of quantifiable elements, but also of elements that can only be described in qualitative terms. The employees of Bechtle AG are doubtlessly among the most important assets. The group reports on this subject in a separate chapter on pages 32 ff.

Moreover, Bechtle considers the supplier relationships in both business segments to be highly significant for the company's success. Bechtle collaborates with more than 300 vendors and about 600 distributors across Europe. Based on a close supplier relationship, Bechtle is able to offer its customers a comprehensive spectrum with transparent market prices and quick availability. Usually, ordered goods are delivered directly from the vendor or distributor to the customer within 24 hours in the form of fulfilment solutions.

**Close partnership
with manufacturers and
distributors**

Thanks to the close partnership with the vendors – partly via in-house product managers for the most important vendors – Bechtle receives information about new product developments at an early stage and is therefore always able to offer customers optimum solutions.

Especially in the consulting-intensive service business, customer relationships are the key to success. Respectability, reliability, and continuity are indispensable properties of customer relationships, particularly in dealings with medium-sized customers. Bechtle has been active in the IT market for more than 25 years and has concentrated on medium-sized customers as the core segment from the outset. Therefore, the company not only has a grown customer base, but is also able to use its long-standing experience to quickly establish a successful basis for new customer relationships.

Thanks to the broad market acceptance and the high market penetration, the brands *Bechtle*, *Bechtle direkt*, *ARP Datacon*, and *Comsoft direct*, which belong to the Bechtle Group, represent an intangible asset for the company. The positive image of the brands among customers, vendors, and employees, which has been built up over many years, is very important for the group's business success.

FINANCIAL POSITION

Despite the difficult economic setting and the decline in revenue and earnings, Bechtle AG was able to keep the operating cash flow and the liquidity reserves at a high level and to further increase the free cash flow. Financially speaking, Bechtle has emerged stronger from the crisis. The very high equity ratio and comfortable liquidity provide the basis for continuing to finance organic growth and acquisitions under the company's own steam.

Financial management principles and objectives

The objective of Bechtle's financial policy is to keep the group's financial power at a high level, thereby retaining the company's financial independence by securing adequate liquidity. At the same time, risks are to be avoided as far as possible. Therefore, the Rules of Procedure of the Executive Board state that all kinds of speculative forward transactions are subject to the approval of the Supervisory Board. This applies especially to currencies, goods, and securities, unless the forward transactions serve the hedging of regular business operations or individual business incidents, orders, or associated risks or belong to usual business operations.

As a matter of principle, Bechtle uses derivative financial instruments exclusively for hedging purposes. In the reporting period, these were currency futures and interest swaps (see Notes to the Consolidated Financial Statements, pages 174 ff). The hedging of the group currency euro represents a key subject of the financial management. The company endeavours to use hedging measures that protect the equity in euros and that do not have any effect on profit or loss in the income statement. Hedging measures are mainly taken for Swiss francs, as foreign asset items and foreign-currency cash flows are held and generated primarily in Swiss francs.

For the investment of excess liquidity, quick availability is more important than maximum yield, e.g. in order to be able to access available cash and cash equivalents in the event of acquisitions or major project prefinancing measures. Thus, pure financial goals – such as the optimisation of the financial income – are subordinate to the acquisition strategy and the company growth.

Investment business was only conducted with investment-grade debtors. Extensive financial flexibility forms the basis for success in a highly consolidated market. The liquidity situation is centrally managed and monitored by the treasury (see Risk Report, chapter Finance, pages 104 f).

Financial independence
provides freedom of action

Cash flow statement

In the reporting period, the cash flow of the Bechtle Group underwent a positive development despite the difficult framework conditions.

Compared to the prior year, the operating cash flow fell by 6.6 per cent to 46.7 million euros (prior year: 49.9 million euros). The main reasons why the decrease was smaller than the decrease in earnings were changes in the net assets and lower income tax payments. The cash outflow for the reduction of trade liabilities was about 4.0 million euros less than in the prior year. Accruals and deferrals increased by 9.0 million euros. This figure includes customer prepayments towards the end of the year. In line with the earnings performance, income tax payments amounted to 13.4 million euros, 3.7 million euros less than in the prior year.

High operating cash flow

The utilisation of capital for inventories and receivables under net assets developed in the opposite direction. For reasons related to the balance sheet date, the cash outflow from the build-up of inventories increased by 3.4 million euros to 7.3 million euros, while the cash inflow from the reduction of trade receivables amounted to 5.2 million euros, 1.7 million euros less than in the prior year.

The cash outflow from investment activities increased substantially from 18.1 million euros to 29.6 million euros. Of this amount, 18.0 million euros were spent on capital investments and securities for the purpose of reducing the high balance of cash and cash equivalents and optimising financial earnings. In contrast, the cash outflow for acquisitions dropped from 9.4 million euros to 0.6 million euros. The amount consisted exclusively of remaining payments for acquisitions made in the prior year.

The free cash flow went up from 28.3 million euros to 33.8 million euros. In view of the lower operating cash flow, the improvement is entirely in line with the acquisition strategy of Bechtle AG in the reporting period.

In 2009, the negative cash flow from financing activities amounted to 17.8 million euros, compared to 10.1 million euros in the prior year. This was mainly due to the higher repayment of financial liabilities and the lower inflow from new financial liabilities. Bechtle recorded a cash inflow of 4.5 million euros from the sale of treasury shares.

As of the end of the reporting period, cash and cash equivalents had dropped slightly by 0.8 million euros to 76.5 million euros (prior year: 77.3 million euros).

CASH FLOW in million euros

	2005	2006	2007	2008	2009
Cash flow from					
– Operating activities	28.1	26.9	42.0	49.9	46.7
– Investing activities	– 20.2	– 19.3	– 9.5	– 18.1	– 29.6
– Financing activities	– 21.2	– 18.3	– 16.1	– 10.1	– 17.8
Cash and cash equivalents	48.2	36.7	52.3	77.3	76.5
Free cash flow	6.4	5.7	25.8	28.3	33.8

The main terms of the financial liabilities are explained on page xy ff of the Notes to the Consolidated Financial Statements. Due to the secondary importance of the financial earnings for the Bechtle Group, a change in the interest rate would not have any major impact on the financial position.

Generally, off-balance-sheet financing instruments, such as factoring or acceptance of liability toward special-purpose entities not included in the Consolidated Financial Statements were not used in the reporting period or in previous fiscal years. The construction of the annexe at the headquarters of Bechtle AG, which is financed via sale and lease back, is the only exception.

Liquidity enables further growth

Currently, the Executive Board of Bechtle AG does not see any signs of liquidity bottlenecks of the group. There are sufficient financial resources for further organic growth and acquisitions.

STRATEGIC FINANCING MEASURES

In the reporting period under review, the current business, necessary replacement investments, and the completed share buy-back programme were financed with cash and cash equivalents and the current operating cash flow. As there were no major investment projects and no acquisitions were made, no strategically significant financing measures, such as capital increases or the issue of bonds, were necessary.

The company has a relatively high equity ratio of 64.3 per cent. This provides evidence of a financing strategy that is based on the policy of maintaining maximum independence from outside creditors. In the reporting period under review, current and non-current financial liabilities were thus reduced from 15.7 million euros to 9.2 million euros and now amount to only 1.8 per cent of the balance sheet total. Similarly, the stable equity ratio also forms the basis for a higher borrowing potential and financial flexibility, especially in order to make use of acquisition opportunities that arise at short notice. Apart from long-term capital investments and securities worth 3.0 million euros, Bechtle therefore keeps 92.0 million euros, i.e. the major part of its funds, in the form of cash as well as capital investments and securities that are available at short notice.

The financing strategy provides for continuous monitoring and, if necessary, optimisation of the capital structure. To improve the leverage and thus the efficiency of the capital structure, 200,000 treasury shares were retired in connection with the share buy-back programme, reducing the equity capital from 21.2 million euros to 21.0 million euros.

As a matter of principle, Bechtle pursues the goal of having sufficient access to various financing sources at all times.

JUDGMENTS AND ESTIMATES

During the fiscal year, no options were exercised and no balance-sheet-related arrangements were made which, if exercised or arranged differently, would have had a material effect on the earnings, assets, and financial position.

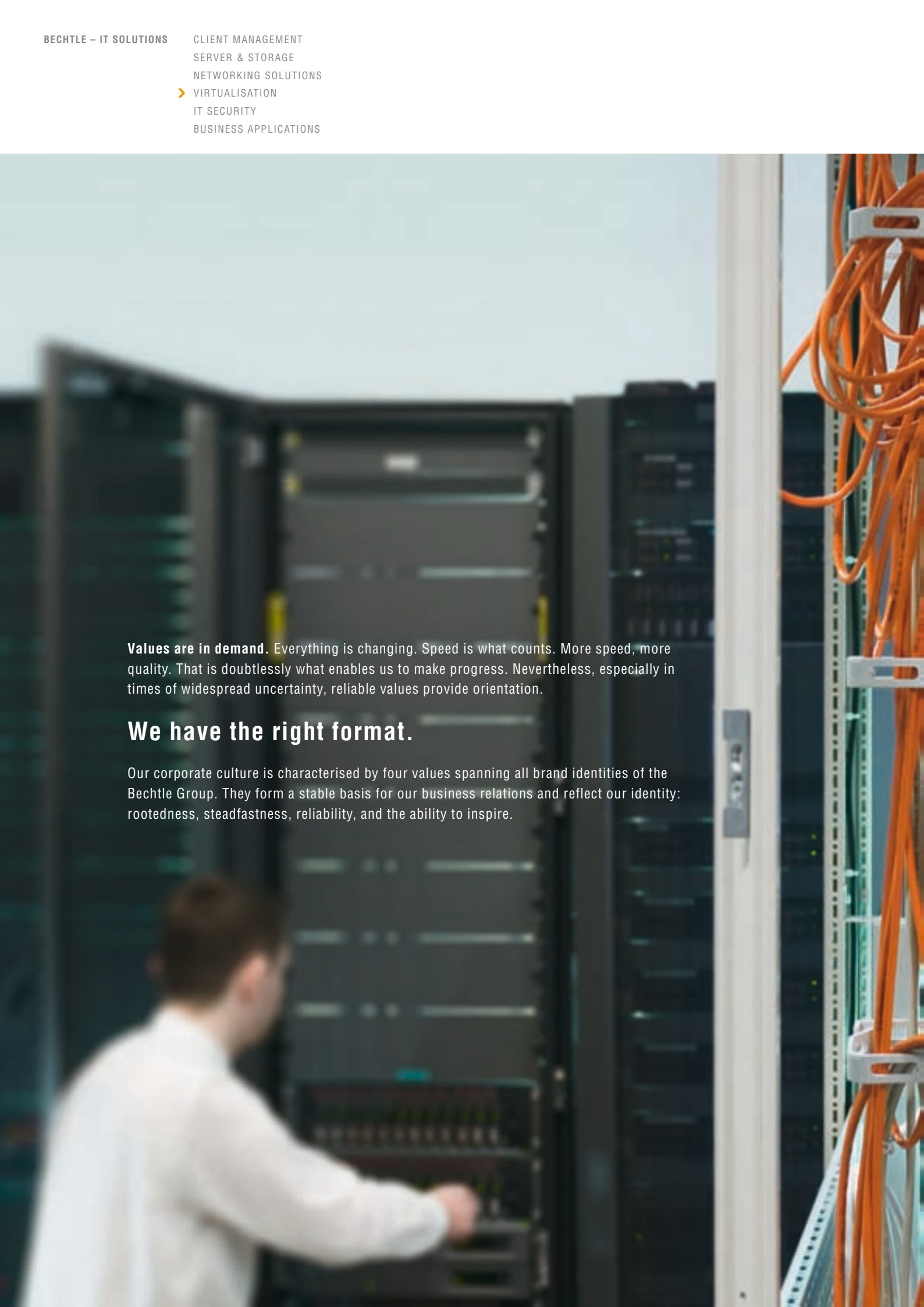
Information about the effect of estimates, assumptions, and judgments made especially in connection with the valuation of the property, plant and equipment, intangible assets, goodwill, doubtful debts, pension liabilities, provisions, contingencies, and tax expenses is presented on pages 146 f of the Notes to the Consolidated Financial Statements.

A past decision that was significant for the balance sheet concerned the construction of the new company headquarters. In the fiscal year 2002, Bechtle concluded a lease for the central logistics and administration building in Neckarsulm. Alternatively, the building could have been purchased. In this case, the acquisition costs of about 31 million euros for the building would have had to be entered in the balance sheet as an asset under property, plant and equipment, which would have increased the non-current assets and the investment ratio in the subsequent fiscal years. Depending on the financing mode, the assets and financial position could have been affected substantially. Debt financing would have increased the long-term debts, and the resulting balance extension would have reduced the equity ratio. The use of cash and cash equivalents for financing purposes would have resulted in a reduction of the financial flexibility. The construction of the annexe in Neckarsulm was also financed with a leasing scheme that does not have any effect on the balance sheet. Therefore, the total volume amounts to 38 million euros.

In connection with the accounting of provisions for pensions, Bechtle does not enter the actuarial gains and losses according to the so-called corridor method (IAS 19.92), but always in their full amount in the period in which they accrue directly in the equity, outside profit or loss, according to IAS 19.93A. Thus, all actuarial losses that accrued until the balance sheet date have been fully recorded and presented in the equity. Had the corridor method been used, only a certain part of the actuarial gains and losses would have been entered in the respective reporting period and recognised through profit or loss.

At the time of addition of financial assets or financial liabilities, there is a one-time option to measure the asset or liability at fair value through profit and loss (IAS 39.9). So far, Bechtle has not made use of this option and measures granted credit and receivables at amortised cost and financial assets available for sale at fair value outside profit or loss. So far, the use of the option for measurement at fair value through profit or loss would not have resulted in any major changes in the valuations.

In the reporting period, IFRS 3R "Business Combinations" was applied ahead of time. Among other things, the early application made it possible to avoid adjustments of the goodwill amounting to 4.5 million euros, which would have had a negative effect on the EBIT.



Values are in demand. Everything is changing. Speed is what counts. More speed, more quality. That is doubtlessly what enables us to make progress. Nevertheless, especially in times of widespread uncertainty, reliable values provide orientation.

We have the right format.

Our corporate culture is characterised by four values spanning all brand identities of the Bechtle Group. They form a stable basis for our business relations and reflect our identity: rootedness, steadfastness, reliability, and the ability to inspire.



RISK REPORT

The principles of value-oriented, responsible, and sustainable corporate management include the exploitation of business opportunities and the proactive control of the risks involved. At Bechtle, the early identification, assessment, and monitoring of risks as well as the active management of opportunities within the scope of the company's development are part of the measures taken to secure long-term profitable growth.

RISK AND OPPORTUNITY MANAGEMENT

Basic understanding

In the Bechtle Group, risk management and opportunity management are closely interlinked, just as they should be. An "opportunity" is a potential event or trend that is favourable for the company or a potential positive variance from a planned scenario. The internal opportunity management of Bechtle AG is mainly derived from the strategy of the business segments and their goals. The group's Executive Board and the operational management in the individual business segments and holding companies are directly responsible for the early and continuous identification, assessment, and control of opportunities. Thus, like the risk management, these tasks are an integral part of the corporate planning and control system. The management of Bechtle AG puts a lot of emphasis on detailed evaluations and comprehensive scenarios concerning the market and competition situation, relevant cost drivers, and critical success factors affecting the company. From this, the potential for concrete opportunities is derived for the individual business segments and discussed within the scope of planning meetings between the Executive Board and the division heads, and suitable targets are agreed in order to exploit this potential.

The possibility that an event could have a negative effect on the business and thus on the company's future is referred to as "risk". Thus, a risk is the danger of not being able to achieve goals or successfully implement strategies. This comprises all internal or external events, actions, or omissions that constitute a potential threat to the company's success or existence. The definition of risk is not limited to negative developments or events, but also expressly includes the failure to use or the deficient use of positive development possibilities.

Risk and opportunity management closely interlinked

At Bechtle AG, “risk management” is defined as the entirety of all organisational arrangements and measures to identify and manage entrepreneurial risks. The main objective of the risk management is the due identification of material and existential risks, their assessment, and the initiation of suitable measures within the framework of risk control, thereby minimising or averting possible harmful consequences of the occurrence of the risk for the company. Efficient risk management ensures that personnel and resources are deployed in such a way that the attainment of company goals is supported in the best way possible.

However, the risk management does not intend to avoid all risks. To successfully exploit opportunities, a company must deliberately take risks in the course of its business activity. However, it is important to limit risks to an acceptable degree and to control them in the best way possible. This degree is governed by the risk policy and risk strategy that is tuned to the company’s overriding basic orientation. At Bechtle AG, the risk strategy is based on the corporate culture, the corporate guidelines, and the company’s strategic goals, which govern everyday operations and serve as an orientation aid for all decisions in various ways. The key elements of these basic cultural definitions are rooted in Bechtle’s corporate philosophy, code of conduct, and leadership principles.

Sights set on
 corporate goals

Within the scope of the Vision 2020, the goal of Bechtle AG is to be present throughout Germany, Austria, and Switzerland and to become the leading IT partner of medium-sized businesses and the public sector in the IT system house & managed services segment. In the IT e-commerce segment, the group wants to become the market leader in Europe and pursues internationalisation beyond European borders. The targeted profitable growth with revenues of 5 billion euros generated by 10,000 employees will inevitably be accompanied by business risks. The risk policy of Bechtle AG must take this into account.

Organisation

The risk management organisation forms the institutional framework for the risk management. It enables and supports risk-oriented reactions of the decision makers. In line with the organisational structure of the Bechtle Group, the risk management clearly distinguishes between duties and responsibilities of the group holding/intermediate holdings and of the operational subsidiaries. In its controlling structure, the holding has established a reporting system that enables the early identification of developments that threaten the company’s success. Apart from the provision of various analysis tools for the operational units, suitable standards are defined for the subsidiaries on the basis of periodic analyses and statistics, which, if applied systematically, allow appropriate and effective risk management. Thus, the directors bear a substantial part of the responsibility (risk owners). This basic understanding also corresponds to the decentralised business model and the management philosophy of Bechtle AG.

Functionally, the following elements can be distinguished within the scope of the risk management organisation:

– Process-independent monitoring

This entails verification of the process efficiency. The Internal Audit department forms an important part of the process-independent monitoring. It audits business operations retroactively for compliance and suitability. The activities of the Internal Audit department are based on the provisions of Section 91 (2) of the German Stock Corporation Act (AktG). At Bechtle AG, the tasks of the Internal Audit department are continuously performed during the review of the monthly financial statements and at other times by the group accounting. The suitability of the early risk identification system set up by the Executive Board and the effectiveness of individual risk control measures and of the accounting-related internal audit system are reviewed by the auditors within the scope of the audit of the Annual Financial Statements and during the year by the company management.

– Early warning and monitoring system

The structure of the systems is geared towards the strategic and operational threats and ensures the operability of the risk management and the other corporate processes. Early warning systems are instruments that assist the company in identifying risks and opportunities in good time. In connection with the identification of latent risks, special attention is paid to early indicators. “Monitoring” means the continuous review of the effectiveness, adequacy, and efficiency of the measures and of the needed audit structures with respect to the identified risks.

Within the scope of the risk management, effective communication of important tasks and contents across the hierarchy levels is vital for the interlinking with the business operations. In this connection, committee and team work is an important instrument for the organisation and control of the needed information flow. At top management level, this is done at Supervisory Board and Executive Board meetings and risk management sessions. At director level, especially director conferences, strategy conferences, and planning and individual meetings with the Executive Board are held in order to meet this need.

Effective communication
throughout all hierarchy levels

Group accounting

According to section 315 (2) no. 5 of the German Commercial Code (HGB), which was introduced due to the Accounting Law Modernisation Act (BilMoG), capital market-oriented companies must describe the key properties of the internal audit and risk management system with respect to the group accounting process, which also includes the accounting processes of the companies included in the Consolidated Financial Statements. In this connection, Bechtle uses the definition of the Institute of Public Auditors in Germany, Dusseldorf. According to this definition, the internal audit system comprises the principles, procedures, and measures introduced by the management,

which serve the organisational implementation of management decisions (i) to protect the effectiveness and efficiency of the business activity (this includes the protection of the assets and the prevention and discovery of financial losses), (ii) to ensure the correctness and reliability of the internal and external accounting, and (iii) to comply with regulations relevant for the company.

Concerning the accounting processes of the included companies and the group accounting process, the following structures and processes are implemented at Bechtle AG:

The Executive Board bears the overall responsibility for the internal audit system with respect to the accounting processes of the included companies and the group accounting process at Bechtle. All companies and strategic business segments included in the Consolidated Financial Statements are integrated by means of a clearly defined leadership and reporting organisation. The principles, the structural and process organisation, and the processes of the group accounting-related internal audit system are outlined in group-wide policies and organisational instructions that are adjusted to the latest external and internal developments at regular intervals. Regarding the accounting processes of the included companies and the group accounting process, the management considers features of the internal audit system as important that could considerably affect the consolidated balance sheet and the overall statement of the Consolidated Financial Statements including the Group Management Report. This applies especially to the following elements:

- Identification of material risk fields and audit areas that are relevant for the group accounting process;
- Monitoring audits to check the group accounting process and their results at the level of the group's Executive Board, at the level of the strategic segments, and at the level of the companies included in the Consolidated Financial Statements;
- Preventive audit measures in the group financial management and accounting, the companies included in the Consolidated Financial Statements, in the strategic segments, and in operational, performance-oriented company processes, which generate important information for the preparation of the Consolidated Financial Statements and the Group Management Report, including functional separation and predefined approval processes in relevant areas;
- Measures to ensure due IT-based processing of group accounting-related matters and data;
- Measures to monitor the group accounting-related internal audit system, especially by the Internal Audit department.

**Systematic identification
of relevant risks**

Risk identification and assessment

To record relevant risks of Bechtle AG as comprehensively as possible, the company uses a risk assessment form. The risk assessment form structures various risk types in the form of a checklist. The content of this list can be customised by the executive staff members involved in the risk identification and assessment in order to take any peculiarities of individual business areas into consideration.

The risk assessment form, whose purpose is to summarise possible risks as comprehensively as possible, serves as the basis for the risk assessment: each risk is assessed for probability of occurrence and expected damage amount (risk potential) and positioned in a risk matrix indicating the significance (A, B, C risks). An assessment reveals how probable the occurrence of the risk is for the underlying risk potential. The result is a consolidated presentation of all identified risks in the form of a "risk map", both for Bechtle AG as a group and for each of its business segments.

Risk control

The company responds to the identified risk on a case-specific basis and with different strategies:

- Risk avoidance: Refraining from activities involving risks means that opportunities cannot be used either;
- Risk reduction: Reduction of the average probability of occurrence;
- Risk limitation: Minimisation of the probability of occurrence;
- Risk compensation: The risk is borne by the company and compensated by an offsetting transaction;
- Risk transfer: Transfer of the risk to another (insurance) company;
- Assumption of the risk: No countermeasures taken.

Risk reporting and documentation

Bechtle AG holds regular risk management sessions (at least twice a year) whose topics are subject to ongoing development. In addition to the risk management session of Bechtle AG, separate sessions at which the risks of the individual areas are explicitly discussed with the responsible executive staff members are held for each segment. The members of the Executive Board and the Chairman of the Supervisory Board attend each of these sessions. The division heads and individual employees entrusted with controlling and risk management responsibilities also participate in meetings. Thus, all areas and responsibilities that are important for the company's success are involved in the risk management process. In addition to the standard reporting of risks at these sessions, there is an arrangement for ad-hoc reporting of critical issues to the responsible bodies (audit committee, Supervisory Board) and other individuals involved in the risk management process.

**Involvement of supervisory
committees**

OPPORTUNITIES

Market and competition

For a company in the IT services and IT e-commerce market, a positive general economic development presents opportunities for successful growth. However, even in an environment marked by economic stagnation or decline, Bechtle could benefit from the consolidation of the competitor landscape and expand its relative market share under its own steam. Therefore, the group intensively examines strategic market and competition analyses, deriving concrete growth potential indicators for its future development.

Naturally, the examination also focuses on the industry trends that have a direct impact on the company's profitable growth.

For several years, the system house market – especially in German-speaking regions – has been undergoing a period of intense consolidation, which Bechtle is actively using. Thanks to its solid financial resources and good reputation, the company has been able to perform more than 30 acquisitions since its IPO, thereby strengthening its market position. In view of the progressive thinning of the industry and Bechtle's excellent assets position and funding, which are still excellent, the company will have further opportunity to continue to fortify its competitive position, for example by means of acquisitions or by expanding the product and service spectrum. Due to the poor economic framework conditions in the reporting period, the management intensively examined numerous acquisition candidates. However, none of the companies met the standards required by Bechtle.

In response to the special situation in the markets, the group had selected the motto "Identify opportunities. Exploit opportunities!" for its strategy conference 2009 and the internal communication. This principle also guided the sales activities of the IT system houses throughout the year.

**Identify opportunities.
Exploit opportunities!**

The Bechtle Group holds a leading position among its competitors; thanks to its decentralised structure, it is able to react quickly and flexibly to use regional market opportunities. Additionally, the company's financial strength forms the basis for exploiting our competitors' weaknesses. Thus, the strategic focus in the year of crisis centred on the opportunities in connection with the expansion of the relative market share in the individual regions.

Especially in view of the current situation in the financial markets and their effect on the real economy, there are further opportunities for the Bechtle Group: the customers' need to cut cost in the short term is generating growing demand for innovative IT concepts and services. At the same time, the demands on information technology and the IT infrastructure are rising, as in the long run, only companies that manage to transform IT from a cost-generating department into a business division that creates value will be able to gain an effective competitive edge. IT is increasingly becoming a production factor. As a general contractor with a fully integrated solution portfolio, Bechtle combines technology concepts with business processes, thereby increasing both economic benefit and business performance of the customers.

Besides the planned growth at the existing locations, the opportunities in the IT e-commerce segment mainly relate to the further internationalisation of the business on the basis of a clear multi-brand strategy. The necessary systems and processes have been continuously improved over the past years and form a reliable platform for further growth. In the reporting period, the group prepared the market entry in Poland and will most probably establish its own subsidiary there in the second quarter of 2010. Market launches may take place in additional European countries in the medium term and in South America and Asia in the long term.

Under the buzzword "Green IT", the issue of climate protection has also found its way into the IT industry. To meet the requirements for eco-friendly IT and to use the resulting opportunities, Bechtle has introduced an innovative range of low-emission, energy-saving products. In the service sector, Bechtle offers customer-specific solutions that also contribute to energy savings in the IT infrastructure, for example through server consolidation or virtualisation of applications (see chapter Business Activities, page 28).

Customers

In the IT system house & managed services segment, Bechtle reaches the medium-sized customer target group in the German-speaking region with a dense network of system houses. Due to the widely diversified customer structure, the effect of industry-specific economic trends and investment-related framework conditions on the company is relatively minor. Moreover, Bechtle's long-standing presence in this segment represents a high market entry barrier for potential competitors. The clear focus on the medium-sized business segment enables Bechtle to further expand its market leadership and position its own business model on a cross-industry level.

Bechtle also offers its services to public-sector clients, a business segment in which the company has consistently expanded its activities in recent years. Apart from the basic opportunity associated with the expansion of the customer portfolio and the achievable volume, the focus on the specific needs of public-sector clients offers another opportunity: the investment behaviour of the public sector is less susceptible to economic trends and is often even anti-cyclical. In 2009, the government's economic stimulus programmes comprised substantial investments in IT infrastructure projects as well as hardware and software, resulting in higher expenditure by public-sector clients than in the prior year. The group was able to use these opportunities effectively, growing by more than 30 per cent in this market segment over the past year.

In the IT e-commerce segment, the company is active with the *Bechtle direkt*, *ARP Datacon*, and *Comsoft direct* brands in selected European countries. In this segment, Bechtle sees a wider customer approach and increased customer bonding through the use of bios® shops (see chapter Business activities, page 24) as an opportunity for future growth.

Market leader in medium-sized business

Apart from *Bechtle direkt*, which focuses on enterprise customers, *Bechtle ÖA direkt* serves as a platform for public-sector clients. In this field, too, the anti-cyclical investment behaviour of public-sector clients and the above-average growth rates provide the opportunities already addressed above.

Manufacturers and distributors

Within the scope of its business activity, Bechtle AG maintains close partnerships with all major suppliers and manufacturers in the industry, such as the cooperation with IBM in the field of outsourcing. The intensive collaboration with partner companies enables Bechtle to offer technologically suitable solutions for the growing bandwidth of customer requirements. Thus, Bechtle is improving its own growth opportunities especially by means of a more extensive range of individual solutions for medium-sized customers and public-sector clients, particularly in the field of services and software.

To support this collaboration, Bechtle has additionally appointed Vendor Integrated Product Managers (VIPM) for strategic manufacturers, who promote the interests of the manufacturer and of Bechtle alike. For example, information of the manufacturers can be forwarded to the responsible sales and service staff without delay in a centralised and target-oriented manner. This enables Bechtle to ensure that its customer offer reflects the state of the art at all times. In this way, the quality of Bechtle's sales activities increases, and customers benefit immediately from product promotions of the manufacturers. On the other hand, the Bechtle product catalogue, for example, has for many years been a sales channel with a high multiplier effect for manufacturers and distributors.

Additional synergies are achieved through the standardisation of logistics processes and synchronisation of the ERP systems between the partners. This not only makes for a wider product offer and increasing availability of the goods, but also increases the attractiveness of Bechtle for other distributors and manufacturers.

Reliable partnerships are part of the business model

Service range

Enterprise customers increasingly expect their IT providers to deliver complete solutions from one source. With its combination of trading and services and, within the field of services, with its blend of project, maintenance, and financing business, Bechtle is well prepared to benefit from this trend. (see section Bechtle IT Solutions, page 21) Furthermore, Bechtle has duly positioned itself by means of acquisitions, strategic alliances, and competence centres especially tuned to the needs and trends of the market and has fortified its position with qualified staff.

More than ever, the still difficult global economic situation is forcing companies to review their business processes. At the same time, it stimulates interest in innovative IT management models like outsourcing. The outsourcing of the IT or parts of it enables companies to redistribute costs by allocating IT expenditure exclusively to operating expenses and by freeing up capital that would otherwise be invested in IT. Moreover, due to the global economic downturn in the reporting period, many outsourcing customers are questioning the reliability of their partners. This influences their choice of service providers, prices, and how and by whom the external services are rendered. In future, the expanded range of outsourcing solutions and managed services could yield attractive growth opportunities for Bechtle. Customer relationships in this operation business are usually of a long-term nature, which facilitates the business performance planning. Moreover, the projects promise higher margins than the orders in the conventional trading business.

Financing models complement the service portfolio

In light of the more restrictive lending practices for medium-sized industrial companies, especially IT system houses with a technological one-stop solution package and a wider range of financing services have a certain competitive advantage. Particularly in economically difficult times, leasing models can facilitate the roll-out of important IT projects despite shrinking budgets. This financing alternative also promotes long-term customer loyalty and the recruitment of new customers.

Company organisation

Corporate structure in line with strategy

By consistently aligning the company structure to the strategy, an important precondition has been established for using the opportunities resulting from the market developments described. The almost comprehensive geographic presence with more than 50 locations in Germany and Switzerland and two locations in Austria enable Bechtle to address local medium-sized businesses on site via the regional system houses and – from the perspective of the Bechtle Group as a whole – to attract businesses and corporations that operate on a nationwide scale and that need a large IT service provider as a reliable partner. Despite the great significance of decentralised responsibility and decision-making structures, the Bechtle Group benefits from its size in the field of centralised administrative tasks and bundled purchasing and logistics processes by achieving substantial economies of scale. Additionally, competence centres, specialised product management teams, and segment heads bundle expertise that is made available centrally to all locations.

Thanks to the attained market position and the combination of centralised and decentralised structural elements, Bechtle is ready to actively exploit the market opportunities. In the public sector division, for example, Bechtle has pooled the competencies and experience for this special market segment. This organised interaction between central support and a decentralised market approach by the system houses also yields improved opportunities for growth in this market – a proven basic principle that Bechtle also applies in the organisation of the managed services division.

Human resources

Bechtle attaches great importance to long-term bonding of employees to the company. The leadership style is instrumental in determining the atmosphere in the company. The company's management takes the lead in living the basic values rooted in the corporate philosophy and creates an open atmosphere of mutual trust. This includes short communication routes and open exchange between the divisions, locations, and hierarchy levels. This is important in order to make existing expertise usable and to duly take both the strategic and the operational viewpoint into consideration when making decisions. Furthermore, Bechtle regularly invests in staff training. The Bechtle Academy mentioned above (see chapter Employees, page 36) constitutes an important element in the mounting struggle for prospective employees.

Short lines of communication

The staff development department, which was newly established in the reporting period, complements the activities of the Bechtle Academy. At the same time, the Academy represents a proven organisational platform for the systematic implementation of future staff development measures. Thus, Bechtle AG is taking an important step towards the future alignment of the HR strategy.

RISKS

The management believes that the risks described below could have a considerable negative effect on the company's earnings, assets, and financial position, on the share price, and on its reputation. Nevertheless, this list does not include all risks to which the Bechtle Group is exposed. Other risks that are not yet known or risks that are currently considered to be of little significance could also impair the company's performance.

Macroeconomy and industry

Bechtle AG sells IT products in twelve countries of Western Europe and offers IT services in Germany, Austria, and Switzerland. Though the business greatly depends on the domestic market, the development of the European economy as a whole has a decisive effect on Bechtle's growth, as the presence in various European markets accounts for a proportion of about one third of the revenues.

The reporting period was marked by the most severe economic crisis since the end of World War II. Despite the much brighter forecasts for 2010, the outlook for the company's key markets and the industry's willingness to invest remained cautious, resulting in risks for the earnings, assets, and financial position of the Bechtle Group.

Bechtle operates in a highly competitive and technologically short-lived market. Both the IT trading segment and the IT service segment are characterised by competition in terms of pricing, product quality, and service quality. Thus, Bechtle is confronted with mounting price and margin pressure, falling demand, and slower growth. Furthermore, the IT market is undergoing a period of intensified consolidation, which may culminate in stronger individual competitors and changed market shares. The company's earnings position mainly depends on the effectiveness and, most importantly, on the efficiency with which the group succeeds in fulfilling the customers' growing need for smarter IT solutions.

Strengthening of new business areas

Among other things, Bechtle counters market risks by strengthening business areas with above-average growth potential, such as managed services. With its outsourcing services, this business field not only offers excellent growth perspectives, it also reduces Bechtle's general dependence on economic trends by means of longer contract terms.

Bechtle also counters the general economic risk by strengthening the public sector division, which is especially important in this time of economic hardship, as demonstrated impressively during the fiscal year under review.

To further reinforce the market position of Bechtle AG in Europe, the company continually enters new country markets in the IT e-commerce segment. In this context, Bechtle is confronted with political, economic, and legal risks in the respective target countries. Furthermore, the establishment of new trading companies requires concerted efforts in the field of sales, which are not always successful. The revenues and earnings could be impaired by start-up costs for the establishment and personnel as well as investments in country-specific sales and marketing activities. Moreover, there is a risk that the selected measures could later be found to lack sustainability or fail to gain the expected market acceptance. Bechtle AG limits such risks and risks resulting from the legal, economic, or company-specific framework conditions by means of extensive analyses and audits before entering the market, uniform investment controlling for all e-commerce companies, and successive know-how transfer from previous market launches. Moreover, the market entry strategy provides for the hiring of suitable professionals and executives who have detailed knowledge of the local market and of the other framework conditions.

Business activities

Cost structure

The cost structure of Bechtle AG is characterised by a high proportion of personnel expenses whose adjustment lags behind a changed capacity utilisation of the personnel. In economically weak phases, Bechtle can only reduce functional costs to a certain extent in the medium term without any major impairments on the occupation situation. Furthermore, measures affecting the personnel expenses must always take the existing personnel risk (lack of qualified staff) into consideration. This was also the case in the reporting period: While the revenue decline was relatively moderate in the single-digit per-cent range, earnings were affected more severely by the financial and economic crisis. Due to the generally poor economic framework conditions and the dwindling demand, the group took cost reduction measures amongst others in the HR field at the beginning of the reporting period. However, as care had to be taken not to endanger the company's sustainability, a highly differentiated approach was made use of. The effects were mainly felt in the second half of the year. Thus, the earnings gap to the prior year could be continually reduced from quarter to quarter. Nevertheless, a substantial discrepancy remained between the revenue and earnings performance.

Procurement

Bechtle AG meets the risks in the supply markets with selective supplier management and a manufacturer-oriented organisation of Vendor Integrated Product Managers (VIPM) who also ensure close interaction of group logistics processes with manufacturers and distributors. However, the effectiveness of these measures is limited with respect to the development of the international supply markets. For example, should the price slump in the industry be above average due to the aggravated competitive situation and continue over an extended period, this could greatly affect the group's profitability.

Bechtle buys its products from all renowned IT manufacturers and distributors. Across Europe, the company cooperates with about 300 manufacturers and more than 600 distributors. Should a partner be unable to supply goods, Bechtle can always offer alternative products at short notice. In terms of its economic situation and existence, the group does not depend on any single supplier. However, the product portfolio of Bechtle AG does put special emphasis on Hewlett-Packard products.

**Vendor-independent
product range**

The development in the IT market – especially in view of the economic framework conditions in the reporting period – points to an increasing competitive pressure among manufacturers. As a result of the intensive competition, expectations from sales partners are constantly on the rise. Therefore, Bechtle maintains close partnerships and professional relationships with manufacturers in order to fulfil customer and manufacturer requirements in the best possible way.

Bechtle minimises storage risks and reduces the capital tie-up by continuously improving the procurement, flow, and sales processes. The principle is to procure goods only shortly before they are shipped to the customer or to engage distributors as fulfilment partners. As the ordered goods are often shipped to the customer directly by the manufacturer or distributor, the company can save process and storage costs.

In order to avoid supply bottlenecks due to the short-term storage, the procurement processes are closely interlinked with the manufacturer and distributor systems. This ensures high availability and quick delivery to the customer. Bechtle also benefits from economies of scale from the group-wide volume bundling through central procurement and logistics processes.

Service range

In the field of managed services, long-term contracts account for lion's share of the business. The fixed price guarantee that is often agreed for such projects can affect the generated margin due to changes of the cost basis during the term. Moreover, such contracts contain specific requirements for the project flow and for the compliance with legal regulations. Failure to meet these criteria could lead to damage claims or termination of the contract. Furthermore, in its capacity as general contractor, Bechtle bears the risk of contractual fines due to missed deadlines, unforeseeable developments at the project sites, deficient services of subcontractors, and possible logistical difficulties.

Customers

Though individual companies of the Bechtle Group are somewhat dependent on a limited number of customers, the group as a whole has a very large customer base. Thus, Bechtle's existence does not depend on any single customer. There is no concentration of credit risks to individual key accounts. What is more, the diversity of the industries that customers belong to spreads the risk of dependence on individual industry trends. Bechtle meets the potential solvency risk of customers by means of careful examinations before establishing business relationships and by means of consistent debt collection management.

IT

Basic IT risks emerge from the use of computer-based databases and the deployment of ERP, controlling, and accounting systems. For example, a goods availability risk could result if the operability of IT systems necessary for smooth order handling is no longer guaranteed. This could happen due to hardware failures, operating errors, or defects in electronic data processing devices.

Broad customer base reduces dependencies

The probability and extent of damage from viruses and hackers is difficult to estimate. The intrusion of unauthorised parties in the IT system could result in a confidentiality risk. Bechtle employs encryption and authentication technologies as well as firewalls to protect confidential information transmitted electronically. Despite high-level protective mechanisms and security standards, there is a danger that internal and confidential information could be used illegally.

For the Bechtle Group, backups are a top priority. The central computing centre in Neckarsulm, Germany, which is responsible for ensuring the operability of all IT systems, has developed a strategy of backup measures at various levels that prevent the failure of technical IT systems or at least minimise its probability. As far as we can discern, Bechtle is not exposed to any integrity risk from incorrect processing, loss of data, or faulty storage of data.

Among other things, Bechtle protects the IT systems by means of firewalls and strict security regulations. The IT system availability reflects the state of the art. Additionally, Bechtle protects the operations by means of redundant data lines. At all locations, the network connection takes place via backup lines. For the stability of the IT e-commerce systems, Bechtle always employs several providers with mutual backup function. All material production systems are redundant and subject to a high-availability agreement with the manufacturer. Moreover, the systems are protected by a UPS and a power generator.

Personnel

Training, motivation, and commitment of the employees are key success factors of the Bechtle Group. Therefore, loss of expertise due to above-average fluctuation of qualified personnel and a lack of qualification and performance orientation on the part of the employees are the major personnel risks. Furthermore, in the fast-growing business fields, there is a risk that the demand for qualified personnel cannot be met sufficiently. For this reason, Bechtle is not only eager to sign qualified specialists and executive personnel for the company and integrate them successfully, but most importantly to bind them to the company permanently.

The human factor

Due to the ongoing consolidation in the IT market, there is currently no shortage of well-qualified sales staff. On the other hand, in individual competence areas it is far more difficult to replace highly qualified IT specialists, which may mean a risk for the operational business flow. However, the industry views Bechtle as an attractive, reliable employer, which can be seen from the high number of qualified and experienced applicants. Apart from creating a positive work environment, HR work focuses on operational training and the promotion of junior management staff by means of internal development programmes.

Liability

In the service and trading business, Bechtle provides an industry-standard contractual warranty for supplied hardware according to its General Terms and Conditions. However, in this regard, Bechtle only passes on the manufacturers' warranty. The risk of warranty claims being asserted by customers against Bechtle without recourse to the manufacturer is low. Bechtle has taken out insurance or formed adequate provisions in case customers need to be granted warranty extensions or expansions. A D&O insurance covers any liability claims resulting from mismanagement. The insurance cover is checked regularly and adapted if necessary. Thus, negative financial effects of insurable risks on the business should be excluded or at least limited.

Finance

Financial instruments

Currency, interest, and liquidity risks are subject to active management on the basis of guidelines that apply to the entire group. In this context, the specific requirements for the organisational separation of the operations and auditing of the functional divisions are observed.

Derivative financial instruments are used exclusively for the purpose of hedging basic operational transactions and mission-critical financial transactions in the form of interest swaps.

The financial risk management is characterised by the clear allocation of responsibilities, central rules for the fundamental limitation of financial risks, purposeful alignment of the employed instruments to the requirements of the business activity, and separate monitoring by a centrally controlled treasury.

Foreign currencies

Currency risks exist especially in areas in which receivables, debts, funds, and planned transactions exist or will accrue in currencies other than the local currency of the parent company. The foreign currency risk is mainly limited to Swiss francs, as a considerable portion of the international business is generated in Switzerland. Except for Switzerland and Great Britain, procurement mainly takes place in euro countries and in euros. Goods are purchased in US dollars in exceptional cases. Currency futures in Swiss francs and US dollars are used to hedge the currency risk related to Swiss francs and US dollars. The currency futures for hedging the currency risk related to Swiss francs covered the cash flows in Swiss francs generated in Switzerland and the assets held in Switzerland. Currency futures are used in individual cases to hedge the currency risk associated with the US dollar when purchasing goods in US dollars or when customers pay in US dollars (see Notes to the Consolidated Financial Statements, chapter Disclosures on Risk Management of Financial Instruments, section Currency Risk, pages 174 f).

Currency futures for hedging
currency risks

Liquidity

To ensure unlimited solvency, the company must have sufficient liquidity at all times. The liquidity situation is managed and monitored by the treasury as an integrated element of the group accounting. In view of the existing financial position of the Bechtle Group as of the end of the year with cash and securities worth 95.0 million euros (prior year: 77.6 million euros), unused credit lines amounting to 34.7 million euros (prior year: 39.9 million euros), and a positive cash flow from operating activities amounting to 46.7 million euros (prior year: 49.9 million euros), the probability of occurrence of a liquidity problem is limited. Moreover, Bechtle AG has authorised capital of up to 10.6 million euros (prior year: 10.6 million euros), which can be used to increase the equity base if necessary.

Comfortable liquidity

The treasury department of Bechtle AG ensures the liquidity supply for the group divisions and subsidiaries by means of cash pooling. Furthermore, it controls the interest rate risk and is responsible for the assessment, analysis, and monitoring of positions subject to market risks.

Receivables

The looming credit crunch in the financial markets due to the economic crisis and therefore the solvency of business customers play an increasingly important role in the examination of the future risk situation. Bechtle could be more exposed to bad debt losses than in the past, as the financing options have become much more difficult, which means that customers may be unable to meet their payment obligations in due time or in their entirety. Detailed monitoring of customer relationships including ongoing solvency checks and proactive debt management help to avoid risks from bad debt losses and eliminate the need for taking out trade credit insurance.

Potential risks in connection with the investment of cash equivalents are limited by restricting short-term investments to first-class institutions. Bechtle AG reduces credit risks by exclusively executing transactions with banks with an excellent degree of creditworthiness and within the scope of defined limits. Payment transactions, too, are only handled via banks whose creditworthiness is beyond doubt.

Interest

As a matter of principle, financial assets and debts with terms of more than one year involve an interest rate risk. In recent years, Bechtle has further reduced long-term financial liabilities. As of the reporting date, there were only few liabilities with terms of more than one year to maturity. The interest rate risks of the Bechtle Group are centrally analysed, and the resulting measures are actively managed by the group's finance department. The procedure applied by the department is subject to regular auditing as determined by the management. The risk of interest rate fluctuations of loans with variable interest rates is eliminated by means of interest rate swaps (see Notes to the Consolidated Financial Statements, chapter Disclosures on Risk Management of Financial Instruments, section Interest Rate Risk, page 175).

Others

Acquisitions and divestments

Despite extensive examinations, Bechtle did not perform any acquisitions in the reporting period. Nevertheless, takeovers and investments remain an essential element of the corporate strategy, which is designed with long-term profitable growth in mind. Since its IPO in 2000, Bechtle AG has acquired more than 30 companies. Bechtle intends to further strengthen and expand its market position by means of specific acquisitions. However, the decision to purchase a company and integrate it in the group always involves an entrepreneurial risk. It is always possible that the expectations placed on the acquired company do not fully materialise. Bechtle addresses this risk by conducting extensive due diligence audits in advance and by taking measures that support the acquisition process. The preparation, implementation, and audit of acquisitions take place in line with defined competence arrangements and approval processes. Moreover, Bechtle has years of experience in integrating companies. The company has established the structures that are necessary for this and operates according to a concept that meets the group's needs in connection with the integration of newly purchased companies in the best possible way.

The rapid corporate growth of Bechtle in recent years also involves risks. On the one hand, the newly acquired companies tie up management resources during the integration phase. On the other hand, the rapid growth necessitates the continuous expansion and adaptation of the organisation and management structures to the changed framework conditions. For this purpose, Bechtle has continually developed and strengthened the respective resources in the company and key positions in the management. However, these risks are balanced by considerable entrepreneurial opportunities for further development of the group.

The growth and the strategic objectives of Bechtle AG also necessitate divestments in certain areas in order to promote the concentration on the core business fields. These measures involve the risk of not being able to sell certain business activities or selected operational units as planned.

Environmental protection

The group's portfolio is limited to the provision of IT services and the sale of hardware and software. Thus, Bechtle does not engage in technological R&D or production activities. Therefore, the company is largely unaffected by environmental risks and risks resulting from changed environmental legislation.

Taxes

The group operates in twelve European countries and is therefore subject to various tax laws and regulations. Changes in the tax legislation and regulations could result in higher tax expenses and higher tax payments. Furthermore, the changed framework conditions could affect the tax receivables and liabilities as well as the company's deferred tax assets and liabilities. The group has a central tax department that ensures compliance with the domestic tax legislation and regulations. In other countries, external consultants are engaged.

Compliance

The amount of business with public-sector clients and government-controlled companies further increased in the fiscal year under review. Accordingly, Bechtle is increasingly involved in projects financed by government authorities and organisations. To accommodate the changing business structure and to minimise the risk of potential misconduct towards all business partners, Bechtle AG implemented a code of conduct in the fiscal year 2010. The purpose of this code is to ensure compliance with applicable national and international laws and regulations in all activities of the company and to define minimum standards for actions. To prevent potential misconduct of the employees in the handling of confidential data within the scope of the public-sector orders, Bechtle AG and the responsible individuals in the company underwent security screening by the Federal Ministry of Economics and Technology (Bundesministerium für Wirtschaft und Technologie – BMWi). Since then, Bechtle has been party to a non-disclosure agreement with the federal government. Thus, the company has established the basis for handling public-sector projects subject to non-disclosure in line with customer expectations.

Code governs conduct

Legal environment

Being active at an international level, the Bechtle Group is subject to various national laws. This may involve risks for legal transactions – such as in the wording of contracts – which Bechtle counters by engaging legal advisors at an early stage whenever necessary.

At present, the company is not involved in any legal disputes that could have a negative effect on the consolidated earnings. Bechtle AG will form provisions for legal disputes for all future legal disputes in connection with the group's business if liabilities are likely to result and the amount of the liabilities can be determined with reasonable certainty.

OVERALL RISK ASSESSMENT

No existential risk

The evaluation of the group's overall risk situation is the result of the consolidated examination of all major compound and individual risks. The management is of the opinion that the presented risks are limited and manageable. The company boasts a solid financial basis, with an above-average equity ratio of 64.3 per cent (prior year: 62.8 per cent) and a comfortable liquidity situation.

Third-party ratings are another important indicator for the overall risk assessment. Apart from the company's own internal risk assessment, Bechtle's credit rating and aggregate credit risk are regularly appraised and monitored by banks and rating agencies. All institutions are of the opinion that Bechtle's probability of default is very low: 0.07 to 0.30 per cent (based on the customary one-year term). This corresponds to the credit ratings of the rating agencies Bürgel and Creditreform for Bechtle AG (Bürgel solvency index: 1.1 and Creditreform solvency index 114 in February 2010). On the Standard&Poor's rating scale, which is widely used in financial markets worldwide, these probabilities of default correspond to a rating of A– to BBB+. On the bank-independent six-level IFD (Initiative Finanzstandort Deutschland) rating scale, Bechtle has a rating of I, which is the best level (probability of default up to 0.3 per cent per year). A deterioration of the rating could result in higher capital costs and have a negative impact on the business activities.

To date, the creditworthiness of Bechtle AG has not been appraised by the rating agencies Standard&Poor's, Moody's Investors Service, Fitch Ratings, or Dominion Bond Rating Service.

Bechtle AG is aware of its own risk and opportunity profile for its business activities. In connection with daily updated analyses of the business performance based on operational indicators, the presented measures play a significant role in enabling Bechtle to use the opportunities for further development of the company without losing sight of the risks involved.

Except for the risks described above, the Executive Board does not expect any other significant impairments of the company's revenues and profitability due to other regulatory risks. All in all, Bechtle AG is not aware of any risks that could endanger the continued existence of the company either alone or in combination with other risks. The Executive Board is convinced that it will be able to make use of future challenges and opportunities without taking undue risk.

SUPPLEMENTARY REPORT

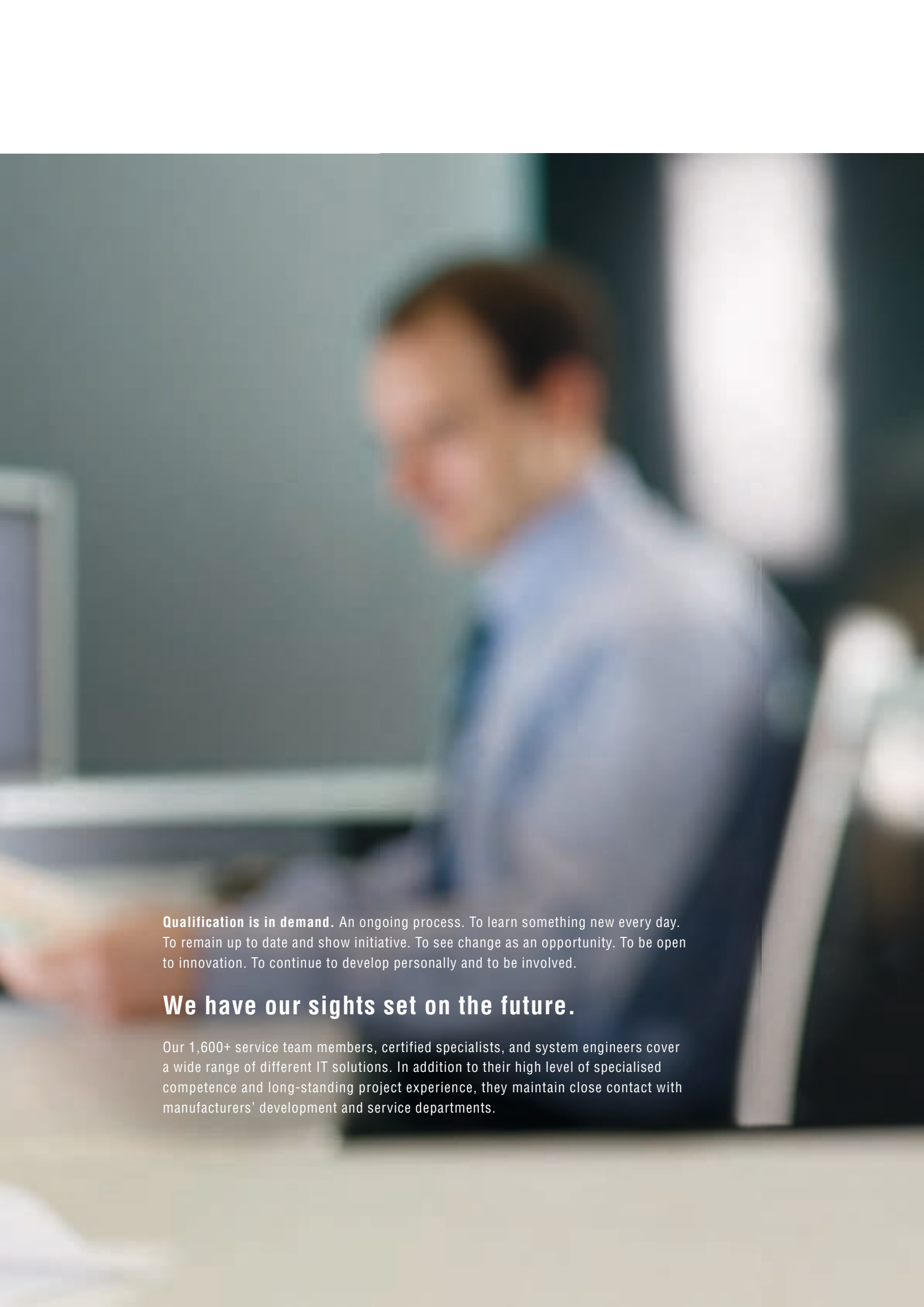
IMPORTANT EVENTS AFTER THE BALANCE SHEET DATE

On 1 March 2010, the Swiss Comsoft direct AG launched a newly established company in Belgium, thereby stepping up its international presence. Thus, the software management and software licensing specialist of the Bechtle Group is now represented in five European countries.

Apart from this, Bechtle AG did not experience any special events after the reporting date 31 December 2009 that would have affected the company's earnings, assets, and financial position.

For statements concerning the situation on the reporting date, see Forecast, page 119.





Qualification is in demand. An ongoing process. To learn something new every day. To remain up to date and show initiative. To see change as an opportunity. To be open to innovation. To continue to develop personally and to be involved.

We have our sights set on the future.

Our 1,600+ service team members, certified specialists, and system engineers cover a wide range of different IT solutions. In addition to their high level of specialised competence and long-standing project experience, they maintain close contact with manufacturers' development and service departments.

FORECAST REPORT

The improvement of the economic situation that already became evident in the fourth quarter of 2009 is expected to continue in 2010 and 2011. However, it is too early to ascertain whether this general trend will be of a continuous nature or whether discontinuities during the year will affect the economic recovery.

The macroeconomic upsurge will also revive the IT markets. However, the consolidation pressure in the industry is still high due to the changed framework conditions and new technologies. Being confident that its positioning is effective in this context, Bechtle will continue to use new opportunities to reinforce its competitive position and expand its market share.

FRAMEWORK CONDITIONS

According to the forecasts of the European Commission, the economy in the euro zone has overcome the crisis. Brussels predicts a slight growth of 0.7 per cent for 2010 and 1.5 per cent for 2011.

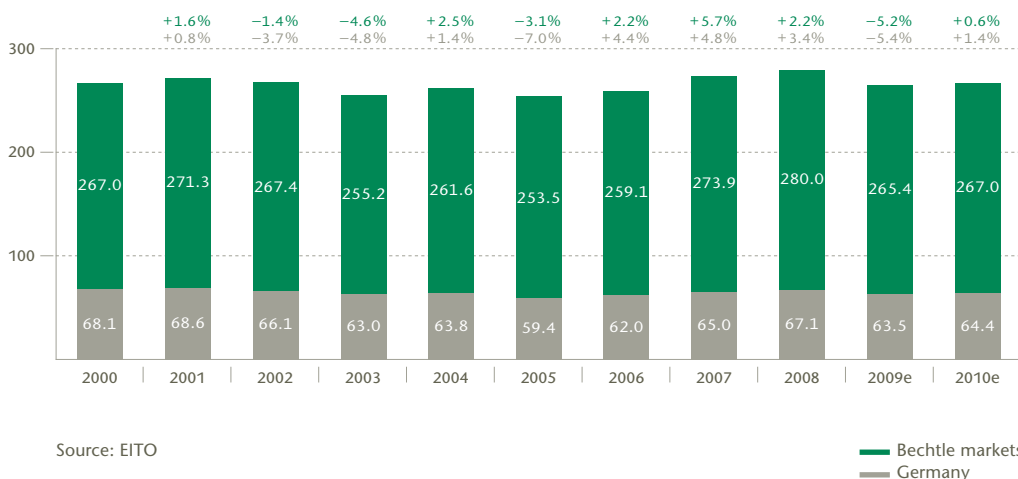
In Germany, too, the economy is expected to make a significant recovery. Most analysts estimate the growth for 2010 at 1.2 to 1.6 per cent. Investments in equipment are also expected to increase. The federal government anticipates a gain of 1.5 per cent, and the German Chambers of Industry and Commerce (DIHK) even predict a 3.0 per cent increase for the coming year. The expected GDP growth for 2011 is 1.7 per cent.

According to the market research institutes, the outlook in the IT industry is also positive. The investment backlog that accumulated in 2009 will dissipate over the next two years. The market research institute, EITO, expects the IT market in the EU to grow by a mere 0.2 per cent in 2010. However, 2011 is expected to see considerable gain with a growth rate of 3.5 per cent. Demand for outsourcing services will most likely account for a major portion of the upsurge.

IT market will benefit from the upturn

For the German IT market, the industry association BITKOM predicts a 1.4 per cent growth for 2010. A substantial growth of 2.2 per cent is expected for services. The software market will gain 0.9 per cent. The hardware segment is expected to be at 0.2 per cent, thus maintaining the low level of 2009. The growing demand for outsourcing services accounts for a large portion of the growth in Germany, too. The introduction of the new Windows 7 operating system and the development of the broadband networks, which has been announced by the federal government, will provide additional stimuli for growth in the next two years.

IT EXPENDITURE 2000–2010 in billions of euros



Source: EITO

Bechtle markets
 Germany

Despite the higher social costs and receding tax income, public administration is still a relatively stable growth market. The market research company IDC predicts that expenditure for hardware, software, and IT services in Western Europe’s public sector will increase to more than 50.0 billion euros by 2013. In 2008, investments still amounted to about 41.0 million euros. Services account for a continually growing portion of government IT expenditure, while the hardware share is expected to recede slightly in 2010. A correction is anticipated from 2011 on, after which expenditure is expected to remain at about the same level until 2013. Software expenditure, too, is likely to increase slightly from 2010 on.

Public-sector clients
 remain stable growth driver

With respect to the economic situation predicted for the future, the Bechtle Group does not expect any major impact on the demand trend due to changes in legal framework conditions, the development of currency exchange rates, or the implementation of measures in connection with environmental policy.

PERFORMANCE OF THE GROUP

Products and markets

The IT market is expected to remain in upheaval across Europe. In the crisis year 2009, some enterprises experienced a substantial slump in demand, resulting in financing bottlenecks. The financial weakness of these companies in particular will accelerate the consolidation in the industry in 2010 and thereafter. Especially small business active on a local and regional scale will be affected. The more intensive competition will cause rising pressure on prices and margins. However, due to its financial strength, Bechtle AG believes that it will be able to further expand its market share in its home market Germany in 2010 and 2011. Moreover, certain market-related developments – such as an increased disposition towards IT outsourcing or higher growth rates in some customer segments like public clients – will generate an attractive potential for growth.

To strengthen its own market position and to meet growing customer requirements, Bechtle is busy developing and establishing a high-quality product and service portfolio. Moreover, the public sector division and the internationalisation in the IT e-commerce segment represent focal points in the corporate development of the Bechtle Group.

The expansion of the range of IT solutions specifically designed for the needs of medium-sized companies plays a key role in the IT system house & managed services segment. In view of dwindling budgets and the currently intensive focus on cost saving potential, new service and consulting concepts and individual project solutions will contribute to a more efficient customer IT infrastructure and allow Bechtle to develop growth-oriented business fields. Concepts like cloud computing and software as a service (SaaS), which are based on scalable and flexible costs, will accelerate this transition. Bechtle will boost the business of the system houses by concentrating its portfolio composition and sales activities on topical subjects like client management, server & storage, networking solutions, virtualisation, IT security, and business applications.

Furthermore, the product and service offer and the market presence are to be expanded through selective acquisitions.

Regardless of the macroeconomic situation, the high innovation rate in the IT industry, which is driven by the technological progress, is unlikely to abate. Bechtle is therefore continuously intensifying its close collaboration with external partners, such as suppliers and manufacturers, in the field of procurement and logistics. The interdependence with manufacturers and distributors on a pan-European scale is to be further promoted especially by means of the partner programme “SPARC”, which was already initiated in the reporting period. The objective is to create synergies by means of uniform purchasing conditions, product specifications, and marketing measures at an international level. Corporate customers operating all over Europe thus benefit from the advantages of central logistics, and Bechtle is able to guarantee the provision of identical IT products at fixed conditions across national borders. Especially the close contacts with manufacturers enable Bechtle to offer customers state-of-the-art solutions and products at all times.

Focus on key system
house topics

In its Web shops, Bechtle offers the entire bandwidth of the latest IT products. Every week, the company adds about 250 to 300 new products to the *Bechtle direkt* portfolio. On average, 40 per cent of the prices of the product portfolio change every day. Therefore, keeping prices and availability information up to date is just as critical to success as centralised logistics that make use of lean processes for optimum efficiency in managing the flow of goods.

In the IT e-commerce segment, the Bechtle Group strives to become the market leader in Europe and plans to further expand its presence by establishing additional *Bechtle direkt* subsidiaries in Europe. Thus, *Bechtle direkt* will be present in the Polish market with a new subsidiary from April 2010 on. The market research institute EITO estimates the volume of the Polish IT market in 2010 at almost 6 billion euros. Investments in hardware account for about 2.4 billion euros, more than third of the total. According to the group's plans, the new e-commerce company in Poland should pass the break-even point in the third year after the market launch. In the medium run, the *ARP Datacon* brand is to penetrate the countries in which *Bechtle direkt* is already represented.

Further internationalisation
 in e-commerce

Key performance indicators

Revenue

The uncertainty about the macroeconomic trend and the momentum of the economic recovery has a direct effect on the volatility of the forecasts. Therefore, quantitative statements concerning the future economic development are difficult to make at company level. Nevertheless, Bechtle believes that in general, it will outperform the IT market as a whole in the coming two years, generating more revenue than in the reporting period in both segments. In view of the declining prices in the industry, this will require an above-average increase in product sales. In the IT e-commerce segment, the streamlined profile of the *Bechtle direkt*, *ARP Datacon*, and *Comsoft* brands, progressive expansion in Europe, and determined sales activities are to contribute to this growth. This goal is also supported by means of a wider and, most importantly, a better portfolio, continuous expansion of the activities in the public sector division, and concentration on fast-growing business fields in the IT system house & managed services segment. In its Vision 2020, Bechtle targets revenue of 5 billion euros, which means an average annual growth of at least 12.0 per cent.

As a result of the advancing internationalisation of the business and the increasing number of IT e-commerce companies, the regional distribution of the revenues in the following years will continue to shift towards foreign countries up to about 35 per cent of the total revenue within the scope of the planned development. Among the foreign subsidiaries, Switzerland will continue to account for an above-average share of the group revenue.

Growth in both business segments

Both the IT system house & managed services segment and IT e-commerce will contribute to the growth of the Bechtle Group. However, in the years to come, IT e-commerce is again expected to be more dynamic than the IT system house & managed services segment. In the long run, this is associated with the expectation that both segments will contribute the same amount to the total revenue. Structural shifts between the segments will also play a role in the future revenue performance. Thus, the group's objective is to increasingly relocate standardised hardware procurement processes from the IT system house & managed services segment to the IT e-commerce segment, where these processes can be implemented more cost-efficiently.

Costs

For Bechtle AG as a trading service provider, personnel expenses are of central importance with respect to the business management. Personnel expenses constitute the largest expense block, accounting for approximately 70 per cent among the sales and administrative functions. Due to Bechtle's consulting-intensive business model, flexible adjustment of the personnel expenses, e.g. during temporary economic downturns, is only possible to a limited extent. In the field of sales, especially in IT e-commerce, the expenses are also highly correlated with the revenue performance. Following the weak revenue performance in 2009, the management therefore expects an increase in the distribution costs to a level of about 6.0 to 7.0 per cent of the revenue this year and next. Due to the adjustment of the allocation of employees in the reporting period and the associated increase of the administrative expenses ratio, the ratio is expected to remain at a constant level of about 6.0 per cent in 2010 and 2011.

Earnings

In the reporting year, the earnings of Bechtle AG were impaired by the effects of the financial and economic crisis. Currently, the signs increasingly point to the end of the crisis and a normalisation of business dynamics. Provided that the economy does not experience another slump, the Executive Board expects the earnings position of Bechtle AG to improve in the next two years.

Target EBT margin: 5 per cent

In 2009, earnings support measures were successfully implemented without endangering the company's sustainability. In 2010, the Bechtle Group will most likely limit short-time work to individual cases. Bechtle endeavours to continually optimise its service efficiency, thereby enhancing the earning power. All in all, the Executive Board is confident that in the future, Bechtle AG will continue to keep the EBT margin at a level above the industry average. The target EBT margin is still 5 per cent.

In view of its successful business performance, Bechtle AG plans to continue to share its entrepreneurial success with its shareholders in the form of an attractive dividend. In recent years, about 30 per cent of the consolidated earnings after taxes were distributed. The current dividend proposal for the fiscal year 2009 of 0.60 euros per share represents a ratio of about 40 per cent. However, this does not mean a change in strategy, but merely expresses the consistency and reliability of Bechtle's dividend policy even in times of economic hardship and must be considered especially against the backdrop of the company's excellent liquidity position. There are no plans for fundamental changes to the company's dividend policy.

Assets and financial position

Liquidity

Bechtle AG has a solid balance sheet structure and comfortable liquidity. These basic financial values enable Bechtle to continuously grow under its own steam and respond flexibly to the requirements of the markets. The high liquidity in particular provides a competitive advantage, especially in times of economic hardship. The financial position and thus the stability of the IT partner is an increasingly important decision criterion for customers, too. Therefore, special attention was paid to the cash management in the reporting period. The positive development of the key performance indicators furnishes proof of the company's successful liquidity management. The company plans to continue in the same way in the future. In addition to the liquidity reserve of approximately 130 million euros, Bechtle AG has a substantial borrowing potential. In conjunction with the continued positive development of the operating cash flow, Bechtle has adequate resources for attaining its goals and financing future growth without any difficulties.

Financing

The financial earnings, i.e. the balance of the interest income and interest expenses, depend on the development of the interest rate levels on the financial markets, despite the positive development of the cash and cash equivalents on hand. Currently, the company does not expect the year 2010 to bring any noticeable improvement of the conditions for deposits. However, the financial earnings should remain more or less on the level of the prior years. As previously, smaller acquisitions can be financed from the current cash flow and available liquidity resources. The takeover of larger companies could result in a more drastic cash outflow, though in such a case, financing with debt capital would be more likely. This, in turn, could affect the current financing structure of Bechtle AG, with the possibility of a negative financial balance. Moreover, Bechtle could resort to the equity financing options according to the adopted Annual General Meeting resolutions. Until June 2014, the Executive Board is authorised to increase the equity capital by issuing up to 10.6 million shares against cash or contributions in kind.

Various financing options

Provided that no major takeovers take place in the next two years, the balance sheet structure will not undergo any significant changes.

Investments

Investment ratio remains stable

The business of Bechtle AG, which comprises IT product trading and IT services, does not require high investments. In recent years, Bechtle's investment ratio remained at approximately the same level. Over the next two years, investments needed in order to attain the growth targets will not necessitate any major change of the current investment ratio of about 30.0 per cent.

The planned investments in property, plant and equipment and in intangible assets will more or less match the level of the scheduled depreciation and amortisation. These investments will mainly comprise investments in the replacement of the office equipment for the distribution and service companies and expansion investments in new building facilities and extended capacities. Without factoring in possible acquisitions, the volume of investments planned until 2011 for property, plant and equipment and intangible assets will, from the present standpoint, not change significantly compared to prior years. In the current year, the majority of the planned investments involve standard replacements with a budgeted volume of about 12 million euros. In principle, unscheduled investments due to acquisitions are also possible.

OVERALL ASSESSMENT

At the beginning of the year, the macroeconomic situation was quite diversified. On the one hand, the forecasts for the GDP growth in Germany in 2010 were partly stepped up by more than 2 per cent. The ifo index for the EU was also following an upward trend. On the other hand, the ifo index for Germany surprisingly dropped in February, and the Federal Statistical Office published figures according to which the German economy had slowed down in the fourth quarter of 2009 compared to the prior quarter, implying that the economic recovery had stalled. At beginning of the year, however, positive expectations and cautiously optimistic outlooks were predominant.

In early 2010, the mood in the IT industry was largely positive. In January, the ifo index for IT service providers climbed to 23, the highest value since October 2008. The current situation received a positive rating of 18. At 28, the outlook for the next six months is even more positive, though this value is slightly below that of the prior month.

Bechtle has made a good start into the fiscal year 2010. So far, nothing has happened to confirm fears that the excellent business performance in the latter part of 2009 may have merely been an isolated event. The trend towards normalisation of the business and increased willingness to invest on the customer side is persisting. Nevertheless, the current figures have not yet reached pre-crisis levels. Besides, uncertainty and reluctance are still evident in certain industries, such as mechanical engineering and the automotive industry. However, so far Bechtle has not suffered any slowdown in the dynamism of the public sector division. In this area, the economic stimulus package 2 adopted by the federal government is expected to provide further encouragement in the course of the year.

In view of the improved economic situation and the strength and stability of the group, the Executive Board expects the business performance of Bechtle AG over the next two years to be positive and above the industry average. With its programme of prudent measures in the year of the economic crisis, the management has established good preconditions to sustain Bechtle's yield-oriented growth in the long run in an improved economic environment.

**Executive Board expects
 above-average performance
 of Bechtle AG**

Acquisitions will remain an integral element of the growth strategy in all business fields. In IT e-commerce, however, the Executive Board will mainly focus on organic growth, while in the IT system house & managed services segment, selective acquisitions may complement the regional positioning and competence profile of Bechtle AG.

Certification and training measures will continue to play an important role. With the academy's expanded qualification offer and the new staff development department, Bechtle plans to continue promoting specialists and executives from its own ranks. As the group plans to hire more employees if the positive development of Bechtle AG continues over the next two years, the headcount is expected to exceed that of the reporting period.





Visions are in demand. It is good to have a concrete goal and to identify new challenges. These serve as stimuli. We want to be the best, which is why we continually raise the bar.

We develop the next upgrade.

Our vision is our guiding star: by 2020, we will generate a revenue of 5 billion euros with 10,000 employees. With our system houses, we will be the leading IT partner of medium-sized businesses and of the public sector. In e-commerce, Bechtle will be number one in Europe and will have started growing far beyond the borders of Europe.

CONSOLIDATED FINANCIAL STATEMENTS

- 123 Consolidated Income Statement
- 123 Consolidated Statement of Comprehensive Income
- 124 Consolidated Balance Sheet
- 126 Consolidated Statement of Changes in Equity
- 127 Consolidated Cash Flow Statement

CONSOLIDATED INCOME STATEMENT

from 1 January to 31 December 2009 (2008)

in th. euros	Notes	2009	2008
Revenue	(1)	1,379,307	1,431,462
Cost of sales	(2)	1,179,770	1,213,331
Gross profit		199,537	218,131
Distribution costs	(2)	87,944	90,455
Administrative expenses	(2)	76,171	75,709
Other operating income	(3)	7,290	8,262
Operating earnings		42,712	60,229
Financial income	(4)	1,503	1,987
Financial expenditure	(4)	553	683
Earnings before taxes		43,662	61,533
Income taxes	(5)	9,404	16,105
Earnings after taxes		34,258	45,428
of which minority interests		0	56
of which shareholders of Bechtle AG		34,258	45,372
Net earnings per share (basic and diluted) in euros	(6)	1.64	2.14
Weighted average shares outstanding (basic and diluted) in thousand		20,853	21,165

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

from 1 January to 31 December 2009 (2008)

in th. euros	Notes	2009	2008
Earnings after taxes		34,258	45,428
Other comprehensive income			
Actuarial profit and loss in pension provisions		423	-4,038
Income-tax effect		33	791
Unrealised profit and loss on securities		121	106
Income-tax effect		-30	-27
Unrealised profit and loss on financial derivatives		-20	-448
Income-tax effect		16	119
Currency exchange differences of net investments in foreign operations		846	-1,194
Income-tax effect		-66	66
Hedging of net investments in foreign operations		-665	0
Income-tax effect		194	0
Changes in difference from foreign currency exchange		-721	9,558
Total other comprehensive income	(16)	131	4,933
Of which Income-tax effect		147	949
Total comprehensive income		34,389	50,361
Of which minority interests		0	56
Of which shareholders of Bechtle AG		34,389	50,305

CONSOLIDATED BALANCE SHEET

as of 31 December 2009 (31 December 2008)

Assets

in th. euros	Notes	31.12.2009	31.12.2008
Non-current assets			
Goodwill	(7)	106,395	105,823
Other intangible assets	(8)	14,932	19,559
Property, plant and equipment	(9)	27,740	23,758
Trade receivables	(12)	145	366
Tax receivables		171	189
Deferred taxes	(10)	9,874	4,696
Other assets	(14)	2,253	2,564
Capital investments and securities	(13)	3,000	0
Total non-current assets		164,510	156,955
Current assets			
Inventories	(11)	59,322	52,118
Trade receivables	(12)	183,979	188,402
Securities		1,656	1,545
Other assets	(14)	19,221	19,410
Capital investments and securities	(13)	15,510	338
Cash and cash equivalents	(15)	76,467	77,300
Total current assets		356,155	339,113
Total assets		520,665	496,068

Equity and liabilities

in th. euros	Notes	31.12.2009	31.12.2008
Equity			
Issued capital		21,000	21,200
Capital reserve		145,228	143,454
Retained earnings		168,733	149,042
Treasury shares		0	- 2,247
Total equity	(16)	334,961	311,449
Non-current liabilities			
Pension provisions	(17)	8,631	8,859
Other provisions	(18)	232	452
Financial liabilities	(19)	6,604	5,185
Trade payables	(20)	97	284
Deferred taxes	(10)	11,598	11,558
Other liabilities	(21)	302	473
Deferral items	(22)	4,820	4,153
Total non-current liabilities		32,284	30,964
Current liabilities			
Other provisions	(18)	3,959	4,019
Financial liabilities	(19)	2,561	10,466
Trade payables	(20)	79,460	83,250
Tax payables		5,455	4,448
Other liabilities	(21)	42,381	40,763
Deferral items	(22)	19,604	10,709
Total current liabilities		153,420	153,655
Total equity and liabilities		520,665	496,068

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

from 1 January to 31 December 2009 (2008)

in th. euros	Issued capital	Capital reserves	Retained earnings		Treasury shares	Equity without minority shares	Minority shares	Total equity
			Accrued profits	Change in equity outside profit or loss				
Equity as of 1 January 2008	21,200	143,454	121,123	-9,666	0	276,111	354	276,465
Profit distribution for 2007			-12,720			-12,720		-12,720
Earnings after taxes			45,372			45,372	56	45,428
Other comprehensive income			0	4,933		4,933		4,933
Total comprehensive income	0	0	45,372	4,933	0	50,305	56	50,361
Acquisition of treasury shares					-2,247	-2,247		-2,247
Disposal of treasury shares						0		0
Retirement of treasury shares						0		0
Acquisition of outstanding minority shares						0	-410	-410
Equity as of 31 December 2008	21,200	143,454	153,775	-4,733	-2,247	311,449	0	311,449
Equity as of 1 January 2009	21,200	143,454	153,775	-4,733	-2,247	311,449	0	311,449
Profit distribution for 2008			-12,445			-12,445		-12,445
Earnings after taxes			34,258			34,258		34,258
Other comprehensive income				131		131		131
Total comprehensive income	0	0	34,258	131	0	34,389	0	34,389
Acquisition of treasury shares					-2,946	-2,946		-2,946
Disposal of treasury shares		1,574			2,940	4,514		4,514
Retirement of treasury shares	-200	200	-2,253		2,253	0		0
Acquisition of outstanding minority shares						0		0
Equity as of 31 December 2009	21,000	145,228	173,335	-4,602	0	334,961	0	334,961

See further explanation of equity in item IV. No. 16.

CONSOLIDATED CASH FLOW STATEMENT

from 1 January to 31 December 2009 (2008)

in th. euros	Notes	2009	2008
Cash flow from operating activities			
Earnings before taxes		43,662	61,533
Adjustment for non-cash income/expenses			
Financial earnings		- 950	- 1,304
Depreciation and amortisation in intangible assets and property, plant and equipment		14,264	13,910
Gains (-)/ Losses (+) on disposals of intangible assets and property, plant and equipment		- 17	241
Other non-cash income/expenses		- 542	- 583
Changes in net assets			
Changes inventories		- 7,276	- 3,867
Changes trade receivables		5,206	6,859
Changes trade payables		- 3,939	- 7,976
Changes accruals and deferrals		9,534	517
Changes other net assets		138	- 2,320
Cash flow from ordinary operations		60,080	67,010
Income taxes paid		- 13,415	- 17,069
Net cash from operating activities	(23)	46,665	49,941
Cash flow from investing activities			
Cash paid for the acquisition of consolidated entities less cash acquired		- 635	- 9,367
Cash received from the sale of consolidated companies less cash sold		1,000	963
Cash paid for investments in intangible assets and property, plant and equipment		- 13,644	- 13,683
Cash received from sale of intangible assets and property, plant and equipment		386	398
Cash paid for the acquisition of capital investments and securities		- 17,977	0
Cash received from sale of capital investments and securities as well as from paybacks of non-current assets		43	1,632
Interest payments received		1,200	1,983
Net cash used in investing activities	(24)	- 29,627	- 18,074
Cash flow from financing activities			
Cash paid for finance liabilities		- 10,290	- 5,458
Cash received from finance liabilities		3,869	10,590
Dividends paid		- 12,445	- 12,720
Cash paid for the purchase of treasury shares		- 2,946	- 2,247
Cash received from the disposal of treasury shares		4,514	0
Interest paid		- 474	- 301
Net cash used for financing activities	(25)	- 17,772	- 10,136
Exchange-rate-related changes in cash and cash equivalents		- 99	3,269
Changes in cash and cash equivalents		- 833	25,000
Cash and cash equivalents at the beginning of the period		77,300	52,300
Cash and cash equivalents at the end of the period		76,467	77,300

CONSOLIDATED FINANCIAL STATEMENTS

Notes

129	I. General Statements
129	II. Summary of Key Principles of Accounting and Consolidation
147	III. Further Explanatory Notes on the Income Statement
150	IV. Further Explanatory Notes on the Balance Sheet
170	V. Further Explanatory Notes on the Cash Flow Statement
171	VI. Further Disclosures on Financial Instruments in accordance with IFRS 7
177	VII. Segment Information
181	VIII. Acquisitions
181	IX. Disclosures on the Executive Board and Supervisory Board
183	X. Other information
187	XI. Events occurring after the end of the Reporting Period

I. GENERAL STATEMENTS

Bechtle AG, Bechtle Platz 1, D-74172 Neckarsulm, Germany is a joint stock corporation under German law. A one-stop provider of IT services and solutions from numerous manufacturers, Bechtle AG operates IT system houses in Germany, Austria, and Switzerland, as well as e-commerce companies in twelve European countries, catering to all the IT needs of its corporate customers.

Bechtle has been quoted at the Frankfurt Stock Exchange (Prime Standard) since 2000 and listed in the TecDAX technology index since 2004. The company's shares are traded at all German stock exchanges.

The Consolidated Financial Statements of Bechtle AG for the fiscal year 2009 were released for publication on 4 March 2010 by the Executive Board (IAS 10.17).

Bechtle AG has issued a declaration of conformity with the German Corporate Governance Code in accordance with section 161 of the German Stock Corporation Act (AktG). An up-to-date version of the declaration is published on the company's Web site.

II. SUMMARY OF KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION

Basis of Preparation

The parent company Bechtle AG 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. All International Financial Reporting Standards whose adoption is mandatory for the fiscal year 2009 have been adopted. The International Financial Reporting Standards adopted ahead of time are listed in the disclosures on the new accounting standards. Furthermore, the disclosures required pursuant to section 315a (1) of the German Commercial Code (HGB) are presented in the Notes.

The Consolidated Financial Statements have been prepared on a historical cost basis, except for securities and derivative financial instruments, which have been measured at fair value. The presentation in the balance sheet distinguishes between current and non-current assets and liabilities. Assets and liabilities with a maturity of up to one year are considered as current items. Deferred tax assets and liabilities and provisions for defined benefit plans are presented as non-current items. The income statement has been prepared according the function of expense method. The Consolidated Financial Statements are presented in euros and rounded to the nearest thousand (thousands of euros). Any deviations are explicitly indicated.

Changed Presentation

As capital investments with terms of more than three months have been added to the balance-sheet item "Securities", the item has been renamed "Capital investments and securities".

As of 1 January 2008 and 31 December 2008, there were no capital investments with terms of more than three months. Capital investments with terms of less than three months continue to be reported under the balance-sheet item "Cash and cash equivalents".

New Accounting Pronouncements

New/Amended Standards and Interpretations Adopted for the First Time

In the reporting period, Bechtle adopted the new and revised standards and interpretations of the following new accounting pronouncements published by the IASB/IFRIC and endorsed by the EU for the first time. The specified date for the mandatory adoption ("effective date") is determined in the respective EU directive:

Standard	Publication by IASB/IFRIC	Endorsement	Effective date ¹⁾
Standards and interpretations to be adopted for the first time in the current fiscal year			
IAS 1 Presentation of Financial Statements (revised 2007)	6 September 2007	17 December 2008	1 January 2009
IAS 23 Borrowing Costs (revised 2007)	29 March 2007	10 December 2008	1 January 2009
Amendments to IAS 32 and IAS 1	14 February 2008	21 January 2009	1 January 2009
Reclassification of Financial Assets – Effective Date and Transition	27 November 2008	9 September 2009	1 July 2008
Amendments to IAS 39 and IFRS 7			
Amendments to IFRS 1 and IAS 27	22 May 2008	23 January 2009	1 January 2009
Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			
Amendment to IFRS 2	17 January 2008	16 December 2008	1 January 2009
Share-based Payment			
Amendments to IFRS 7 and IFRS 4	5 March 2009	27 November 2009	1 January 2009
Financial Instruments: Disclosures			
IFRIC 13 Customer Loyalty Programmes	28 June 2007	16 December 2008	1 July 2008
IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction	5 July 2007	16 December 2008	1 January 2009
Improvements to International Financial Reporting Standards	22 May 2008	23 January 2009	1 January 2009 ²⁾

Voluntary adoption of standards and interpretations ahead of time

IAS 27 Consolidated and Separate Financial Statements	10 January 2008	3 June 2009	1 July 2009
IFRS 1 First-time Adoption of International Financial Reporting Standards	27 November 2008	25 November 2009	1 January 2010
IFRS 3 Business Combinations	10 January 2008	3 June 2009	1 July 2009
IFRIC 12 Service Concession Arrangements	30 November 2006	25 March 2009	29 March 2009
IFRIC 15 Agreements for the Construction of Real Estate	3 July 2008	22 July 2009	1 January 2010
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	3 July 2008	4 June 2009	1 July 2009

¹⁾ For fiscal years beginning on or after this date

²⁾ Except for IFRS 5 (from 1 July 2009)

IAS 1 Presentation of Financial Statements (Revised 2007)

The amended standard contains modifications concerning the presentation and structure of the financial statements as well as their minimum content, without affecting the recognition and measurement of assets and liabilities and thus the actual earnings, assets, and financial position. A statement of comprehensive income presenting the components of other earnings outside profit or loss and the overall earnings is now explicitly required as part of the financial statements in addition to the income and expense items through profit and loss (consolidated income statement). Basically, the statement of comprehensive income replaces the previous overview of recorded income and expenses. The statement of changes in equity has also become an explicit component of the financial statements.

IAS 23 Borrowing Costs (Revised 2007)

The revised standard requires borrowing costs related to the acquisition, construction, or production of qualifying assets to be capitalised. The option to recognise all borrowing costs immediately as an expense has been eliminated. A qualifying asset is an asset that necessarily takes a substantial period of time to prepare for its intended use or sale. Due to the minor significance of qualifying assets for Bechtle, the adoption of this amended standard does not have any material effects.

IAS 27 Consolidated and Separate Financial Statements

According to the amendments, transactions by means of which a parent company changes its shareholding in a subsidiary without losing control over the subsidiary shall be accounted for as an equity transaction outside profit or loss. Moreover, the standard determines how the partial disposal of an investment is to be accounted for and how the residual holding in the previous subsidiary is to be measured. In the Bechtle Group, all investments are wholly owned. The adoption of this amended standard does not have any material effects for Bechtle, as no such transactions, such as reduced shareholding percentages in subsidiaries, exist or are expected.

Amendments to IAS 32 and IAS 1

The amendments mainly concern the differentiation between equity and liabilities in the accounting for puttable capital. This puttable capital of shareholders, which used to be presented as liabilities, can now be classified as equity under certain conditions. This is especially relevant for partnerships. Bechtle does not have such puttable capital contributions, as the parent company Bechtle AG is a listed stock corporation and is therefore subject to certain legal and statutory provisions. Therefore, the amendments do not affect Bechtle.

Reclassification of Financial Assets – Effective Date and Transition**Amendments to IAS 39 and IFRS 7**

This revision of the amendments is merely intended to clarify the effective date of the amendments. Thus, every reclassification made on or after 1 November 2008 will take effect from the date when the reclassification is made. However, reclassifications made before 1 November 2008 can take effect from 1 July 2008 or any date thereafter. Reclassifications cannot take effect retroactively from a date before 1 July 2008. The adoption of the original amendments to IAS 39 and IFRS 7 did not have any effects, as Bechtle does not hold such financial instruments. Accordingly, the revised amendments do not have any changes either.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The revised standard merely provides for an improved structure for better understanding; the regulations have not changed. Thus, the adoption of this revised standard will not affect Bechtle.

Amendments to IFRS 1 and IAS 27 Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

The amendments address issues in connection with the measurement of investments in the separate financial statements of a parent company. These amendments do not have any effects on Bechtle's Consolidated Financial Statements.

Amendment to IFRS 2 Share-based Payment

The purpose of the amendments is to clarify the term "vesting conditions" and the cancellation of equity instruments by a party other than the company. As Bechtle does not have any share-based payment transactions, the amendment to IFRS 2 does not have any effects.

IFRS 3 Business Combinations

IFRS 3 redefines the application of the acquisition method for business combinations. Important new features concern the measurement of non-controlling interests, the recognition of step acquisitions, and the treatment of contingent consideration and acquisition costs.

As of the balance sheet date, deferred tax assets amounting to 4,475 thousand euros were formed for the first time for unused losses from an acquisition. Had the option of early adoption of the standard not been exercised, the goodwill capitalised within the scope of the acquisition would have had to be reduced due to the recognition of expenses.

Furthermore, Bechtle's adoption of this revised standard will affect the accounting for new acquisitions. Especially the changed treatment of contingent consideration is noteworthy, as Bechtle frequently encountered such situations in the past. Due to the revised standard, contingent consideration shall be recognised at fair value on the acquisition date and subsequently remeasured through profit or loss.

Amendments to IFRS 7 and IFRS 4 Financial Instruments: Disclosures

The amendments provide for expanded disclosures on the measurement of financial instruments at fair value and on liquidity risks. Henceforth, the hierarchy level used for the measurement of a financial instrument at fair value shall be disclosed. As Bechtle holds only few financial instruments that are measured at fair value, the amendments do not have any material effects.

IFRIC 12 Service Concession Arrangements

This interpretation governs the accounting for agreements whereby the government concludes contracts with a private enterprise to perform public tasks. To perform these tasks, the private enterprise uses the infrastructure that remains under the control of the government. The private enterprise is responsible for the development, operation, and maintenance of the infrastructure. This interpretation does not affect Bechtle, as the companies included in the Consolidated Financial Statements are not operators as defined in IFRIC 12.

IFRIC 13 Customer Loyalty Programmes

This interpretation governs the accounting for customer loyalty programmes, especially the recognition of income and the deferral of incurred expenses. According to this interpretation, award credits granted to customers shall be accounted as separate identifiable components of the sales transaction in which they are granted. Therefore, part of the fair value of the consideration received is allocated to the award credits and recognised as deferred revenue. The revenue is recognised in the period in which the granted award credits are redeemed or expire. As Bechtle does not have any major customer loyalty programmes, this interpretation does not have any material effect.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

This interpretation clarifies how the upper limit in relation to the surplus in a pension plan can be recognised as an asset, especially if rules concerning the minimum funding of the pension plan are to be observed. Since Bechtle has no pension plan surplus and no corresponding assets, this interpretation does not have any material effects.

IFRIC 15 Agreements for the Construction of Real Estate

This interpretation is especially relevant for real estate developers. It governs the accounting for real estate sales for which the contract is concluded with the buyer prior to the completion of the construction work. In particular, the interpretation clarifies under which circumstances IAS 11 or IAS 18 apply and provides guidance on when to account for revenue. This interpretation does not affect Bechtle, as Bechtle does not develop or sell real estate projects.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

This interpretation clarifies issues in connection with the hedging of foreign currency risks in connection with net investments in foreign operations. In particular, the interpretation determines which risks can be hedged, which group companies may hold the hedging instrument, and how to account the disposal of the foreign entity. At Bechtle, such hedges of foreign currency risks in connection with net investments in foreign operations existed for the first time in the reporting period 2009, as described under "Currency Risk" in VI. "Further Disclosures on Financial Instruments According to IFRS 7".

Improvements to International Financial Reporting Standards

Within the framework of the annual amendment procedure, amendments of a minor scope and urgency are collected and issued once a year in a single omnibus standard. The amendments mainly concern the elimination of inconsistencies between various standards and fuzzy formulations. This first omnibus standard to be published incorporates 34 amendments from the 2007 annual amendment procedure. These are both accounting-relevant amendments and terminological or editorial amendments. The adoption of most of the amendments is mandatory for the first time for fiscal years beginning on or after 1 January 2009. Currently, Bechtle does not expect the adoption of these amendments to have any major impact on its Consolidated Financial Statements.

New/Amended Standards and Interpretations Not Yet Adopted

IASB and IFRIC have released further standards and interpretations whose adoption is not yet mandatory in the fiscal year 2009 (“effective date”) or that have not yet been endorsed by the EU. Where the endorsement has yet to take place, the date for the mandatory adoption is derived from the respective pronouncements of IASB/IFRIC. If endorsed later on, the EU directive may specify a different date for the mandatory adoption:

Standard	Publication by IASB/IFRIC	Endorsement	Effective date ¹⁾
Published standards and interpretations that have not yet been adopted			
IAS 24 (revised) Related Party Disclosures	4 November 2009	Open	1 January 2011
Amendment to IAS 32 Financial Instruments: Presentation	8 October 2009	23 December 2009	1 February 2010
Eligible Hedged Items – Amendment to IAS 39 Financial Instruments Recognition and Measurement	31 July 2008	15 September 2009	1 July 2009
Amendment to IFRS 1 Additional Exemptions for First-time Adopters	23 July 2009	Open	1 January 2010
Amendment to IFRS 2 Group Cash-settled Share-based Payment Transactions	18 June 2009	Open	1 January 2010
IFRS 9 Financial Instruments	12 November 2009	Open	1 January 2013
Amendment to IFRIC 9 and IAS 39 Reassessment of Embedded Derivatives	12 March 2009	30 November 2009	30 June 2009
Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement	26 November 2009	Open	1 January 2011
IFRIC 17 Distributions of Non-cash Assets to Owners	27 November 2008	26 November 2009	1 November 2009
IFRIC 18 Transfer of Assets from Customers	29 January 2009	27 November 2009	1 November 2009
IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments	26 November 2009	Open	1 July 2010
Amendments to IFRS: Improvements to International Financial Reporting Standards	16 April 2009	Open	1 January 2010

¹⁾ For fiscal years beginning on or after this date

IAS 24 (Revised) Related Party Disclosures

The main purpose of the revision is to make the standard more comprehensible and clearer, thereby ensuring uniform application in practice. Especially the definition of related entities and persons was clarified, and a simplified regulation was introduced for companies substantially controlled by the government. The adoption of the revised standard will not affect Bechtle.

Amendment to IAS 32 Financial Instruments: Presentation

The amendment concerns the presentation of subscription rights granted in a foreign currency for a fixed number of treasury shares. These subscription rights will henceforth be presented as equity instruments, not as financial liabilities as previously. As Bechtle does not grant any subscription rights for treasury shares, the adoption of the amended standard will not have any effects.

Eligible Hedged Items – Amendment to IAS 39 Financial Instruments:**Recognition and Measurement**

The amendment supplements the regulations concerning the designation of inflation risk as a hedged item and the designation of hedging transactions to hedge a one-sided risk. It is made clear that it is permissible to designate only a portion of the changes of the fair value or of the cash flow fluctuations of a financial instrument as hedged item. As Bechtle does not have such hedging relationships, the adoption of the amended standard does not have any effects.

Amendment to IFRS 1 Additional Exemptions for First-time Adopters

The amended standard grants companies from the oil and gas industry and first-time IFRS adopters additional exceptions for the retrospective adoption of all standards and interpretations applicable on the date of the first IFRS-compliant annual financial statements. Accordingly, the amendments will not affect Bechtle.

Amendment to IFRS 2 Group Cash-settled Share-based Payment Transactions

The amendment concerns the treatment of share-based payment transactions containing treasury equity instruments or equity instruments of a company of the same group. In the course of the amendments, IFRIC 8 and IFRIC 11 are integrated in IFRS 2. As Bechtle does not have any share-based payment transactions, the adoption of the amended standard will not have any effects.

IFRS 9 Financial Instruments

IFRS 9 contains a new, less complex method for the classification and measurement of financial assets. Henceforth, there will only be two instead of four measurement categories. Notwithstanding the original exposure draft, the applicability of IFRS 9 has been limited to financial assets. Currently, Bechtle does not expect the adoption of the new standard to have any major impact on its Consolidated Financial Statements.

Amendment to IFRIC 9 and IAS 39 Reassessment of Embedded Derivatives

The amendments regulate the treatment of embedded derivatives in the course of the reclassification of a financial instrument measured at fair value through profit or loss. As Bechtle does not have any embedded derivatives, the adoption of the amended standard will not have any effects.

Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement

According to the amendment, the economic benefits from prepayments of the company, which reduce future prepayments due to the minimum funding requirement, shall henceforth be capitalised as an asset. The adoption of the amendment will not affect Bechtle.

IFRIC 17 Distributions of Non-cash Assets to Owners

This interpretation governs the accounting for the distribution of non-cash assets to owners. In particular, this interpretation governs the time of recognition of the dividend obligation and its measurement. The difference between the dividend paid and the carrying amount of the disposed assets shall be recognised through profit or loss. As Bechtle has not distributed and does not plan to distribute non-cash assets, Bechtle does not expect any effects from this interpretation.

IFRIC 18 Transfer of Assets from Customers

The interpretation governs the accounting for assets that a company receives from customers in order to grant these access to a network or permanent access to services. The new regulations are mainly relevant for utilities companies, but may also be relevant in other industries, e.g. for outsourcing agreements as concluded in the IT industry. Against this background, the effects for Bechtle are currently being reviewed.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

This interpretation clarifies the requirements of IFRS when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. As Bechtle has not repaid and does not plan to repay financial liabilities with equity instruments, the application of this interpretation will not have any effects.

Amendments to IFRS:**Improvements to International Financial Reporting Standards**

Within the framework of the annual amendment procedure, amendments of a minor scope and urgency are collected and issued once a year in a single omnibus standard. The amendments mainly concern the elimination of inconsistencies between various standards and fuzzy formulations. Currently, Bechtle does not expect the adoption of these amendments to have any major impact on its Consolidated Financial Statements.

Consolidation Principles

The financial statements of Bechtle AG and its subsidiaries included in the Consolidated Financial Statements have been prepared using uniform group accounting policies. Capital consolidation has been effected by offsetting the carrying amount of the shareholding against the pro rata remeasured equity of the subsidiaries at the time of acquisition. Positive differences are recognised as goodwill in accordance with IFRS 3.51, while negative differences are presented in the income statement through profit or loss according to IFRS 3.56 (b). The consolidated income statement takes into account the earnings of the acquired companies from the acquisition date, i.e. from the date the group attains control. Inclusion in the Consolidated Financial Statements ends as soon as the parent company relinquishes control.

All intra-group gains and losses, revenues, expenses, income, receivables, and liabilities are eliminated. The required tax deferrals are applied to the consolidation processes.

Scope of Consolidation

Bechtle AG, Neckarsulm, and all its majority owned and controlled subsidiaries are included in the Consolidated Financial Statements. Bechtle AG holds all shares in all the consolidated companies either directly or indirectly.

A list of the subsidiaries included is presented in Appendix A to these Notes.

The following company was included in the Consolidated Financial Statements for the first time in the reporting period:

Company	Headquarters	Date of initial consolidation	Acquisition/foundation
Bechtle direct Portugal, Sociedade Unipessoal Lda	Aveiro, Portugal	05.01.09	Foundation

Currency Conversion

Bechtle’s subsidiaries keep their accounts in their respective local currency, except for Bechtle Holding Schweiz AG – a non-operating, pure holding company with a substantial amount of cash in euros – which switched its functional currency from Swiss francs to euros in the reporting period. Transactions in foreign currencies are converted at the closing rate on the date of the transaction. On the closing date, monetary assets and liabilities are measured at the closing rate on the closing date, while non-monetary balance-sheet items are translated at the rate on the day of the transaction. Exchange gains and losses resulting from exchange rate fluctuations in foreign currency transactions are recognised through profit or loss. In contrast, currency exchange differences based on net investments in a foreign operation of a subsidiary are recognised under a separate item in the equity outside profit and loss.

Within the framework of the consolidation, assets and liabilities are translated into the functional currency euro at the closing rate in accordance with IAS 21. The revenue and expense accounts are translated at the average rate during the reporting period. Equity is determined on the basis of historical rates. Any resulting exchange differences are recognised in a separate item under equity.

Changes in exchange rates of important currencies in relation to the euro:

	Currency	Closing rate		Average rate	
		2009	2008	2009	2008
Switzerland	CHF	1.48	1.49	1.51	1.59
Great Britain	GBP	0.89	0.96	0.89	0.80
USA	USD	1.44	1.40	1.39	1.47

Accounting Policies

Revenue Recognition

Revenues are realised in the IT system house & managed services and IT e-commerce segments, whereby distinction is made between services and merchandise.

Revenues are recognised in accordance with IAS 18 after the provision of the service and acceptance by the customer, taking into account sales deductions. Sales deductions, contractual penalties, and trade discounts are deducted. At this point, the amount of the revenues can be reliably measured, and there is sufficient probability that the transaction will yield an economic benefit.

Revenues and the associated expenses are recognised independently of the underlying payment flows.

Maintenance agreements and other deliveries and services billed in advance are recognised over the term under consideration of the services already provided.

Research and Development Costs

Apart from the development costs incurred in connection with the production of software designated for internal use or for sale, no significant research and development costs were incurred. Please refer to our statement on internally developed software.

Earnings per Share

Earnings per share (EPS) are calculated in accordance with IAS 33. IAS 33 requires the presentation of the earnings per share for all companies that have issued ordinary shares. The earnings per share are the earnings accruing to the shareholders of Bechtle AG after tax, divided by the weighted average of the ordinary shares outstanding.

Goodwill and Other Intangible Assets

For the initial recognition, **goodwill** from a business combination is measured at cost in the form of the surplus of the cost of acquisition of the business combination over the share of net fair value of the identifiable assets, liabilities, and contingent liabilities recognised by the buyer pursuant to IFRS 3. The goodwill identified in the context of a business combination is a payment that has been made in expectation of future economic benefit from assets that cannot be individually identified or presented separately.

According to IFRS 3, goodwill is not amortised. Instead, it is tested for impairment at least once a year according to IAS 36.

Other intangible assets in the Bechtle Group include brands, purchased software, customer bases, internally developed software, and customer service agreements.

Brands acquired in the context of company acquisitions are measured in accordance with the economic benefit resulting from the brand name rights. The useful life is assumed to be unlimited, as an analysis of all relevant factors does not reveal any foreseeable limitation of the period in which these brand rights can prospectively generate net cash flows for the Bechtle Group. Consequently, in accordance with IAS 38, brand rights may not be amortised, but shall be tested for impairment at least once a year according to IAS 36.

Customer bases are measured at cost. Customer bases acquired in the context of company acquisitions are measured in accordance with the economic benefit resulting from the customer bases. Customer bases are amortised on a straight-line basis over a period that depends on the expected benefit for the company. As a matter of principle, it is assumed that customer relationships are of a long-term nature. The expected useful life is five to ten years.

Purchased software is measured at cost and amortised on a straight-line basis over a useful life of three to eight years.

Internally developed software is capitalised under the conditions of IAS 38 provided that both the technical feasibility and the marketability of the newly developed products are ensured, the group derives an economic benefit, and internal use or sale is planned. Capitalisation takes place at cost, including all attributable direct costs and reasonable mark-ups for overheads and depreciation and amortisation. Costs incurred in the period prior to the technical feasibility are immediately recognised as research expenses. Straight-line amortisation of these capitalised costs takes place from the date of commercial use of the asset over a useful life of three to five years. The amortisation is presented under cost of sales, distribution costs and administrative expenses, depending on the origin.

Customer service agreements are measured at cost. Customer service agreements acquired within the scope of acquisition are measured at the amount corresponding to the benefit resulting from the customer service agreements. Customer service agreements are amortised over their residual terms according to the benefit resulting from them.

For goodwill and other intangible assets with an unlimited useful life, an impairment test is performed at least once a year. In the case of intangible assets with limited useful lives and plant, property and equipment, an impairment test is performed if events or changes occur that suggest an impairment. The Bechtle Group conducts the impairment test by means of the discounted cash flow method in order to determine the value in use. The basis for this is the current plan drawn up by the management for the next three fiscal years. The planning assumptions are duly adjusted in the light of the latest information. In the process, appropriate assumptions on macroeconomic trends and historical developments are taken into account. As a matter of principle, the expected growth rates in the relevant markets are used as the basis for the calculation of cash flows.

The need for depreciation and amortisation corresponds to the amount by which the carrying amount of the assets exceeds the fair value. Assets that are no longer intended for use in business operations are assessed at the lower of the carrying amount and the fair value less costs of disposal. For the impairment tests for goodwill, these must be allocated to their corresponding cash-generating units. In the Bechtle Group, there are two cash-generating units that coincide with the two segments IT system house & managed services and IT e-commerce from segment reporting.

Property, Plant and Equipment

Property, plant and equipment are measured at cost less scheduled depreciation. Since the fiscal year 2009, borrowing costs are always capitalised pursuant to IAS 23. Due to the financial structure of the Bechtle Group, no borrowing costs needed to be capitalised in the fiscal year under review. Where necessary, unscheduled impairments are also performed. Scheduled depreciation takes place on a pro rata temporis basis and mainly on a straight-line basis according to the expected economic life.

Scheduled depreciation is based on the following useful lives:

Office equipment:	3 – 5 years
Furniture, fixtures and fittings:	5 – 20 years
Vehicle fleet:	3 – 6 years
Buildings:	25 – 50 years

Low-value assets of property, plant and equipment are fully depreciated in the year of accrual and recognised as disposal. Maintenance costs are recognised through profit or loss when incurred.

The determination whether an agreement contains a leasing relationship is made on the basis of the economic content of the agreement.

Ownership of finance leases is ascribed to the lessee in such cases where the latter essentially bears all the risks and rewards incidental to ownership (IAS 17). In these cases, the respective property, plant and equipment are capitalised at the lower of the cost of purchase and the present value of the minimum lease payments and depreciated on a straight-line basis in accordance with the economic life or over the shorter term of the lease.

For operating leases, the lease payments are recognised directly as an expense in the income statement.

Deferred Taxes

In accordance with IAS 12, deferred taxes are recognised for all temporary differences between the carrying amounts in the consolidated balance sheet and the tax base of assets and liabilities (liability method) as well as for unused tax losses.

Deferred tax assets for accounting differences and for unused tax losses are only recognised to the extent that it is probable that these differences will lead to taxable profit in future. Deferred tax assets are offset against deferred tax liabilities provided that the tax creditor is identical in both cases. The assessment is based on the tax rates applicable in the year of reversal. Changes in tax rates are taken into consideration if these have been adopted.

Inventories

Merchandise is measured at average cost pursuant to IAS 2 (weighted average cost method). If necessary, the merchandise is written down to the net realisable value. Apart from the loss-free measurement, this write-down takes all other inventory risks into consideration. If the reasons that led to a write-down of inventories no longer exist, the impairment loss is reversed.

Trade Receivables and Other Assets

Trade receivables and other assets are measured at amortised cost taking into consideration due write-down for all identifiable individual risks. Non-current liabilities with a residual term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date. The general credit risk is, where documentable, also taken into consideration by means of appropriate impairments.

As a matter of principle, impairments of receivables are performed by means of allowance accounts. The decision as to whether a credit risk is to be taken into consideration through an allowance account or through a direct impairment of the receivable depends on the degree of reliability of the assessment of the risk situation as well as various country-specific framework conditions. The portfolio managers are responsible for this assessment.

In the Bechtle Group, trade receivables consist exclusively of financial instruments. The other assets also include non-financial assets.

Capital investments and Securities

Capital investments, consisting of time deposits and similar deposits with banks and other financial service institutions with original maturities of more than three months from the date of acquisition, are measured as financial assets at amortised cost.

As a matter of principle, securities are classified as available-for-sale financial assets and measured at fair value. The initial measurement takes place on the settlement date. Changes in fair value are accrued in equity outside profit or loss and only recognised through profit or loss upon disposal and permanent or material impairment. Appreciation of impairments recognised through profit or loss is accrued in equity outside profit or loss until realisation through profit or loss in the form of sale.

Treasury Shares

The total cost of treasury shares acquired is reported under a separate item as a reduction in equity. The number of company shares outstanding, i.e. in circulation, is reduced in accordance with the number of treasury shares. The number of floating, i.e. issued shares remains unchanged. In the event of the resale of treasury shares, resulting profits or losses are offset against the capital reserves outside profit or loss in compliance with IAS 32.33. In the course of the retirement of acquired treasury shares in 2009, the issued capital was reduced by the retired share in the equity capital, and the capital reserves were increased by the same amount (section 237 (5) of the German Stock Corporation Act (AktG)), and the appropriated retained earnings were reduced by the total cost of the acquired treasury shares that were retired.

Cash and Cash Equivalents

Cash and cash equivalents are measured as financial assets at amortised cost. They include the current bank balances and cash on hand as well as current financial investments with initial maturities of less than three months from the date of acquisition.

Pensions Provisions

Provisions for pensions are accounted for and measured according to IAS 19. In this context, distinction is made between defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the employer has no obligations apart from the regular payment of defined contributions. No actuarial assumptions are therefore required to measure the obligation or expense, and no actuarial gains or losses can arise. Bechtle does not have any significant amount of defined contribution plans.

In contrast, the obligations arising from defined benefit plans are to be measured on the basis of actuarial assumptions and calculations taking into account biometric assumptions. Here, actuarial gains or losses may arise.

Bechtle does not recognise the actuarial gains and losses according to the so-called corridor method (IAS 19.92), but always in their full amount in the period in which they accrue, outside profit or loss after consideration of deferred taxes directly in equity (other earnings under appropriated retained earnings) according to IAS 19.93A. Thus, all actuarial gains and losses that accrued until the balance sheet date have been fully recorded and presented in equity. Had the corridor method been used, only a certain part of the actuarial gains and losses would have been recognised through profit or loss in the respective reporting period.

Other Provisions

Other provisions are formed where there is a current obligation to third parties arising from a past event. It must be possible to estimate the amount reliably, and it must be more likely than unlikely that an outflow of future resources will take place. Provisions are only formed for legal and constructive obligations to third parties. Provisions are measured at the amount that, on the balance sheet date, represents the best possible estimate of the expense amount that will probably be necessary to fulfil the current obligation.

Other provisions for warranties are formed for prospective claims on the basis of company-specific experience and the revenues.

Non-current provisions with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date, provided that the interest effect is significant.

Financial Liabilities, Trade Payables, and Other Liabilities

Except for liabilities from financial derivatives and finance leases, liabilities are posted at amortised cost. Non-current liabilities with a term of more than one year are discounted on the basis of the relevant interest rates on the balance sheet date.

Liabilities from finance leases are posted as liabilities in the amount of the present value of the future minimum lease payments.

In the Bechtle Group, financial liabilities and trade liabilities consist exclusively of financial instruments. The other liabilities also include non-financial assets.

Accruals and Deferrals

At Bechtle, accruals and deferrals include all revenue and income accruals and deferrals. In particular, these include prepayments and deferred income and accrued expenses for maintenance agreements and warranty services. They are measured in accordance with the services still to be rendered.

Financial Instruments

Financial instruments are contracts that result simultaneously in a financial asset for one company and in a financial liability for another. This includes both primary financial instruments (e.g. trade receivables or payables) and derivative financial instruments (transactions to hedge against risks of change in value).

IAS 39 distinguishes the following categories of financial instruments:

- Held-for-trading financial assets at fair value through profit or loss
- Held-to-maturity investments
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at amortised cost
- Financial assets and liabilities at fair value through profit or loss

Unless otherwise specified, financial instruments are recognised at fair value. The fair value of a primary financial instrument is generally the price obtainable in the market, i.e. the price at which the financial instrument can be traded freely between independent parties within a transaction. As a matter of principle, the purchase and sale of financial assets is recognised as of the settlement date. Loans and receivables are recognised at amortised cost.

Bechtle AG has so far not exercised the option to designate financial assets at their initial recognition as financial assets to be measured at fair value through profit or loss. So far, the group has not exercised the option to designate financial liabilities at their initial recognition as financial liabilities to be measured at fair value through profit or loss.

Derivate financial instruments are accounted for as assets or liabilities. All derivative financial instruments are recognised at fair value according to the accounting policy on the settlement date. Fair values are determined with the aid of standardised mathematical models (mark-to-market method) or market values.

The Bechtle Group uses interest swaps in order to mitigate the interest rate risk for financial liabilities resulting from future fluctuations in interest rates. For interest swaps to be classified as effective cash flow hedges, the change of the fair value is posted outside profit or loss taking into consideration the applicable deferred tax. The market value of interest swaps is determined by discounting the expected future cash flows over the residual term of the contract on the basis of current market interest rates and the yield curve. Changes of the fair value that are attributable to the ineffective hedging instrument are presented in the income statement through profit or loss.

Currency futures and currency swaps to hedge receivables or liabilities (= hedged items) in foreign currency are measured as fair value hedges. A fair value hedge hedges the fair value of accounted assets and liabilities. The change of the fair value of the currency future and the change of the market value of the hedged item that is based on the hedged risk are simultaneously recognised in the earnings.

Hedges of net investments in foreign group companies hedge the foreign currency risk from subsidiaries using functional currencies other than the group currency euro. Gains or losses from the hedging transaction that are attributable to the effective part of the hedging transactions are recognised under other earnings outside profit or loss. Gains or losses attributable to the ineffective part of the hedging instrument are recognised in the income statement.

Gains and losses from the change of the fair value of derivative financial instruments that are not accounted for within the scope of the hedge accounting according to IAS 39 are immediately recognised at their market value in the income statement.

Summary of selected measurement methods:

Position	Measurement methods
Assets	
Goodwill	Cost (subsequent measurement: impairment test)
Other intangible assets	
Customer bases	(Amortised) cost
Brands	Cost (subsequent measurement: impairment test)
Customer service agreements	(Amortised) cost
Purchased software	(Amortised) cost
Internally developed software	Amortised) cost of development on the basis of directly attributable (direct and overhead) costs
Property, plant and equipment	(Amortised) cost
Trade receivables	(Amortised) cost
Other assets	(Amortised) cost
Inventories	Lower of cost and net realisable value
Capital investments and securities	
Loans and receivables	(Amortised) cost
Held for sale	Outside profit or loss at fair value
Cash and cash equivalents	(Amortised) cost
Liabilities	
Provisions for pensions	Projected unit credit method (IAS 19.64 ff) via actuarial appraisal
Other provisions	Settlement value (with highest probability of occurrence)
Financial liabilities	(Amortised) cost
Trade liabilities	(Amortised) cost
Other liabilities	Settlement value
Accruals and deferrals	Settlement value

Key Assumptions and Estimates

The preparation of the Consolidated Financial Statements requires estimates and assumptions on the part of the Executive Board that affect the reported amount of assets, liabilities, income, and expenses in the Consolidated Financial Statements as well as the disclosure of other financial liabilities and contingent liabilities. Reasonable allowance is made for existing uncertainties when calculating values. The actual earnings may, however, differ from these estimates. All estimates and assumptions are made to the best of our knowledge and belief in order to provide a true and fair picture of the group's earnings, assets, and financial position.

The most important assumptions for the future as well as other significant sources of uncertainty in the estimates existing on the reporting date, as a result of which there is a considerable risk that it will be necessary to make a significant adjustment to carrying amounts of assets and liabilities within the next fiscal year, are explained below.

The impairment test for **goodwill, other intangible assets, and property, plant and equipment** requires estimates of future cash flows from assets or the cash-generating unit to determine its value in use as well as the selection of an appropriate discount rate to determine the present value of these cash flows. For estimates of future cash flows, long-term income forecasts are to be made in the context of the economic setting and the development of the industry.

The scheduled depreciation of **property, plant and equipment** requires estimates and assumptions when determining the standardised economic life of assets for the group as a whole.

Major assessments are required to measure the **deferred tax** assets and liabilities of the group. In particular, the deferred tax assets on unused tax losses require estimates of the amount and dates of future taxable income as well as the future tax planning strategies. If there is doubt that it will be possible to realise the unused tax losses, these are not recognised or impaired.

The **inventories** contain impairments to the lower net realisable value. The amount of the impairments requires estimates and assumptions concerning the prospective realisable sales revenues.

Provisions are formed for bad **debts** in order to account for expected losses resulting from customers' inability to pay. The structure of the maturity of the receivable balances, past experience in connection with the derecognition of debts, an estimate of the customer's creditworthiness, and changes in payment performance form the basis for the assessment of the appropriateness of the provisions for bad debts.

The measurement of **pension obligations** is based on assumptions about the future development of certain factors. These factors include, among others, actuarial assumptions such as the discount rate, expected increases in the value of plan assets, expected salary and pension increases, mortality rates, and the earliest retirement age. Due to the long-term nature of such plans, such estimates are subject to considerable uncertainties.

The recognition and measurement of **provisions** rely heavily on estimates. The assessment of the quantification of the possible sum of payment obligations is based on the respective situation and circumstances. Provisions are created for obligations where there is a risk of losses, these losses are probable, and their amount can be reliably estimated.

To determine whether an agreement constitutes a **lease**, it is necessary to assess whether the fulfilment of the contractual agreement depends on the use of a certain asset or certain assets and on whether the agreement grants the right to use the asset.

III. FURTHER EXPLANATORY NOTES ON THE INCOME STATEMENT

(1) Revenue

Fees charged to customers for goods and services – less sales rebates and discounts – are recognised under revenue in the amount of 1,379,307 thousand euros (prior year: 1,431,462 thousand euros).

In general, customers are (irrespective of industry) only commercial end-users and the public sector.

A precise breakdown of revenue according to business segments and regions is contained in the segment information (section VII).

(2) Expense Structure

in th. euros	Cost of sales		Distribution costs		Administrative expenses	
	2009	2008	2009	2008	2009	2008
Material costs	1,043,059	1,079,543	0	0	0	0
Personnel expenses	102,418	100,447	65,664	67,116	52,336	50,147
Depreciation	6,388	6,206	3,861	4,001	4,015	3,703
Other operating expenses	27,905	27,135	18,419	19,338	19,820	21,859
Total costs	1,179,770	1,213,331	87,944	90,455	76,171	75,709

The other operating expenses for the most part include expenses for office and building rent in the amount of 17,827 thousand euros (prior year: 16,183 thousand euros), vehicle costs in the amount of 14,597 thousand euros (prior year: 14,932 thousand euros), communication costs in the amount of 4,377 thousand euros (prior year: 4,233 thousand euros), marketing in the amount of 3,376 thousand euros (prior year: 4,414 thousand euros), legal and consulting costs in the amount of 2,287 thousand euros (prior year: 3,310 thousand euros) and other costs incurred in the course of normal business activity.

(3) Other Operating Income

The other operating income is composed as follows:

in th. euros	2009	2008
Marketing allowances and other remuneration from suppliers	5,276	4,057
Revenue from currency exchange differences	918	1,564
Revenue from operating a photovoltaic system	213	176
Revenue from the disposal of property, plant and equipment assets and intangible assets	96	183
Rental revenue	79	17
Compensation payment in connection with owed construction contract services	0	700
Revenue from forward exchange transactions (without a qualified/designated hedging relationship)	0	501
Profit from the sale/deconsolidation of TomTech	0	466
Others	708	598
Other operating income	7,290	8,262

By offsetting the expenses from currency conversion recognised in cost of sales, distribution costs and administrative expenses, net income in the reporting period totalled 150 thousand euros (prior year: expense of 535 thousand euros).

The remaining other operating income is mainly insurance reimbursements, recoveries of cost and income from correction of accounts.

(4) Financial Income and Financial Expenses

As in the prior year, the financial income in the amount of 1,503 thousand euros (prior year: 1,987 thousand euros) exclusively includes interest income. The financial expenses in the amount of 553 thousand euros (prior year: 683 thousand euros) include entirely interest expenses (prior year: 278 thousand euros). In addition, in the prior year impairments on available-for-sale securities in the amount of 405 thousand euros were recognised.

(5) Income Taxes

The taxes paid and due on earnings and income as well as deferred tax provisions are reported as income taxes.

The tax expenses are composed as follows:

in th. euros	2009	2008
Paid or due taxes		
Germany	10,510	12,542
Other countries	3,823	3,169
Deferred taxes		
from valuation differences in terms of time	-251	-73
from unused losses	-4,678	467
Income taxes	9,404	16,105

The reconciliation between the actual tax expenses and the amount that emerges taking into account a weighted domestic and foreign tax rate of approximately 28 per cent (prior year: 27 per cent) on the profit before income taxes is composed for the reporting period as follows:

in th. euros	2009	2008
Earnings before taxes	43,662	61,533
Expected tax expense	12,100	16,453
Release of deferred tax liabilities on goodwill due to accretion	0	-373
Tax-free revenue	-30	-314
Tax rate change for deferred taxes	-4	-45
Tax expense of earlier years	592	0
Tax income of earlier years	-69	-360
Non-deductible expenses	770	646
Use of previously unrecorded unused losses	-4,777	-532
Unrecognised deferred taxes on unused losses for the current year	300	563
Devaluation of previously recognised deferred taxes on unused losses	418	0
Others	104	67
Actual tax expense	9,404	16,105

(6) Earnings per share

The table below shows the calculation of earnings per ordinary share after taxes without minority interests:

	2009	2008
Earnings after taxes (in th. euros)	34,258	45,428
of which: shares held by minorities (in th. euros)	0	56
of which: shares held by Bechtle AG shareholders (in th. euros)	34,258	45,372
Average number of shares (number)	20,853,034	21,164,950
Earnings per share (euros)	1.64	2.14

Under IAS 33, the earnings per share are determined on the basis of the earnings after taxes without minority interests and the average number of shares in circulation in the year. Treasury shares reduce the number of outstanding shares correspondingly. The basic earnings per share are identical with the diluted earnings per share.

IV. FURTHER EXPLANATORY NOTES ON THE BALANCE SHEET

(7) Goodwill

The table below shows the individual changes to goodwill in the reporting period and its allocation to the two cash-generating units.

in th. euros	IT system house & managed services	IT e-commerce	Group
Cash-Generating Unit			
Situation as of 01.01.2009	77,888	27,935	105,823
Subsequent purchase price adjustments Bechtle GmbH, Vienna	500	0	500
Differential on currency exchange (IAS 21.47)	35	37	72
Situation as of 31.12.2009	78,423	27,972	106,395

The previous impairment test of the goodwill in accordance with IAS 36 did not show any need for impairment either for the cash-generating unit IT system house & managed service or for the cash-generating unit IT e-commerce.

The values in use determined in the context of the impairment tests for the goodwill were based on discount rates after taxes of between 8.6 and 8.8 per cent (prior year: 8.4 to 8.8 per cent), which corresponded to the return on capital or capital costs required in the Bechtle Group. The cash flow forecasts used are based on individual revenue and cost planning measures approved by the management. As a precaution the growth rates for later years are estimated with a great aversion to risk at values close to 0 per cent. The values in use determined in the reporting period greatly exceed the recognised goodwill. As a result of sensitivity analyses it was determined that even in the case of divergent key assumptions within a realistic framework, there would be need for an impairment of goodwill.

Further details on the increase in goodwill that occurred in the reporting period by the retroactive purchase price adjustment in the amount of 500 thousand euros are presented in section VIII "Acquisitions".

Furthermore, the development of the goodwill is shown in Annexes B and C to the Notes.

(8) Other intangible assets

in th. euros	31.12.2009	31.12.2008
Brands	2,889	2,879
Customer bases	9,053	12,957
Acquired software	2,847	3,370
Internally generated software	143	67
Customer service contracts	0	286
Other intangible assets	14,932	19,559

The brand *ARP Datacon* has an unlimited utilisation duration and is to be allocated to the cash-generating unit IT e-commerce. The Dutch brand *Artikona* that was value adjusted in the prior year was written off in the reporting period. The brand name *Artikona* is no longer used.

By means of sensitivity analyses it has been determined that even in the case of divergent key assumptions within a realistic framework, there would be no need for an impairment of the brand *ARP Datacon*. The discount rate applied in the context of the impairment tests to determine the values in use for the brand reflects the asset-specific risks.

in th. euros	2009
Customer Bases	
Carrying amount (31.12.2009)	9,053
Remaining useful life (weighted average)	2.5 years
Accumulated depreciation	16,948
Accumulated impairment as per IAS 36	269
Differential on currency exchange of accumulated depreciation	48
Scheduled depreciation 2009	3,893

The development of the other intangible assets is presented in detail in Annexes B and C to the Notes.

(9) Property, plant and equipment

in th. euros	31.12.2009	31.12.2008
Property and buildings	11,050	5,786
Other equipment, furniture, fixtures and fittings	16,690	16,419
Advance payments and construction in progress	0	1,553
Property, plant and equipment	27,740	23,758

Non-scheduled depreciation of the property, plant and equipment was only carried out to an insignificant extent.

No leased assets in accordance with IAS 17.20 or IAS 17.25 (finance lease) were included in the office equipment on 31 December 2009 (prior year: 6 thousand euros). In fiscal year 2010 no leasing payments will be due (prior year: 6 thousand euros), consequently the present value is 0 thousand euros (prior year: 6 thousand euros).

The development of the plant, property and equipment is presented in detail in Annexes B and C to the Notes.

(10) Deferred taxes

The amounts of deferred tax assets and liabilities are shown below. Apart from changes in the current year, these also include deferred taxes to be recognised in the context of the initial consolidation of acquired companies and tax effects from equity changes outside profit or loss.

in th. euros	31.12.2009	31.12.2008
Unused tax losses	7,092	2,574
Pension provisions	1,726	1,668
Other provisions	707	102
Property, plant and equipment	226	243
Other assets	123	109
Deferred tax assets	9,874	4,696

in th. euros	31.12.2009	31.12.2008
Goodwill	6,841	5,755
Customer bases	2,074	3,059
Inventories	551	623
Receivables	531	421
Brands	528	527
Property, plant and equipment	496	571
Provisions	334	361
Investments	140	136
Internally produced and capitalised assets	40	0
Customer service contracts	0	75
Other	63	30
Deferred tax liabilities	11,598	11,558

The decisive factor in assessing the impairment of deferred tax assets is the management assessment regarding the realisation of the deferred tax assets. This depends on the generation of future taxable profits, where the tax valuation differences are reversed and unused tax losses can be asserted. In this the context the probability of the reversal of the deferred tax liabilities and future taxable income is taken into consideration.

Previously unused losses carried forward, for which no deferred tax claim was recognised, existed in the amount of 8,254 thousand euros (prior year: 1,671 thousand euros) for corporate income tax, 9,156 thousand euros (prior year: 1,821 thousand euros) for trade tax and 8,128 thousand euros (prior year: 5,116 thousand euros) for the losses of foreign companies.

The tax rates of the respective company applicable in the year of reversal are applied for the recognition of deferred tax liabilities at home and abroad.

The deferred tax expense was reduced by the recognition of previously unused tax losses by 4,777 thousand euros (prior year: 0 thousand euros), due to internal group restructuring made possible by the Growth Acceleration Act and implemented at the beginning of 2010.

The unused domestic losses are regarded as unlimited according to current tax provisions. The restricted use of loss offsetting possibilities (minimum taxation) under German tax law was taken into consideration in the assessment of the impairment of deferred tax assets on unused losses. The unused losses abroad expire in part after five years.

As of 31 December 2009, as in the prior year, no deferred tax liabilities were recognised for taxes on non-transferred profits of subsidiaries of Bechtle, since these profits were either not subject to any corresponding taxation or were to be reinvested for an indeterminate period.

Temporary differences in connection with interests in subsidiaries for which no tax debts were recognised amounted to a total of 6,050 thousand euros (prior year: 5,558 thousand euros).

(11) Inventories

The company's inventories consist almost entirely of merchandise.

in th. euros	31.12.2009	31.12.2008
Inventories, gross	61,268	53,972
Valuation allowances	1,946	1,854
Inventories	59,322	52,118

The carrying amount of the value-adjusted inventories as of 31 December 2009 amounted to 1,797 thousand euros (prior year: 3,387 thousand euros). In the fiscal year impairments in the amount of 92 thousand euros were recognised as an expense (prior year: 413 thousand euros).

(12) Trade receivables

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Trade receivables, gross	186,310	145	191,218	366
Valuation allowances	2,331	0	2,816	0
Trade receivables	183,979	145	188,402	366

The maturity structure of the current trade receivables was as follows on the balance sheet date:

in th. euros	Carrying amount	Individually adjusted in full or in part	Valuation allowance	Consolidated individual value adjustment	Not overdue and not value-adjusted	Overdue				
						less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	over 180 days
31.12.2009										
Trade receivables	183,979	884	783	1,548	141,803	38,793	3,138	1,147	433	112
31.12.2008										
Trade receivables	188,402	1,155	1,074	1,742	134,440	48,185	5,334	1,597	507	0

The company grants the periods of payment customary in the industry and country. With regard in the amount of the trade receivables that are neither diminished in value nor overdue there were no indications on the reporting date that the debtors would not comply with their payment obligations.

The company's receivables are not collateralised with exception of the customary business reservations of title. The company thus bears the risk of bad debts up to the carrying amount. In the past, the company had to accept losses of subordinate importance on the part of individual customers or customer groups. To cover the general credit risk appropriate value adjustments were carried out in accordance with past experience.

The value adjustments to trade receivables developed as follows:

in th. euros	2009	2008
Situation of valuation allowances as of 1 January	2,816	2,683
Exchange differences/Consolidation	2	44
Utilisation	516	203
Dissolutions	775	513
Transfers (Expenses for valuation allowances)	804	805
Situation of valuation allowances as of 31 December	2,331	2,816

The total amount of the allocation of 804 thousand euros (prior year: 805 thousand euros) was composed of allocations due to individual value adjustments in the amount of 546 thousand euros (prior year: 501 thousand euros) and lump sum individual value adjustments in the amount of 258 thousand euros (prior year: 304 thousand euros).

Expenses from the immediate write-off of trade receivables existed in the amount of 448 thousand euros (prior year: 392 thousand euros). Income from the inpayment on written-off claims only existed to an insignificant extent.

For the recognition in accordance with IFRS 7, the trade receivables were, as in the prior year, allocated in full to "Trade receivables".

(13) Capital investments and securities

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Capital investments	15,049	3,000	0	0
Security investments	461	0	338	0
Capital investments and securities	15,510	3,000	338	0

The acquisition costs in the amount of 15,000 thousand euros and deferred interest in the amount of 49 thousand euros constitute the carrying amount of the financial investments.

The following table shows further information on the securities to be carried at fair value:

in th. euros	31.12.2009	31.12.2008
Cost of purchase	445	743
Carrying amount	461	338
Unrealised gains	121	0
Unrealised losses	-105	-405

The unrealised capital gains are recognised outside profit or loss in other earnings. The unrealised capital losses relate to the material impairment (IAS 39.67ff) recognised as an expense in 2008.

For the recognition in accordance with IFRS 7, the financial instruments were allocated in the amount of 18,049 thousand euros (prior year: 0 thousand euros) to “Capital investments” and in the amount of 461 thousand euros (prior year: 338 thousand euros) to “Securities”.

(14) Other assets

The other assets consist of the following:

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Refunds and other receivables from suppliers	13,689	0	10,358	0
Labour procurement reserves (blocked account in Switzerland)	0	820	0	823
Loan extended to a leasing company	0	750	0	793
Rental deposits	124	557	460	316
Receivables from the sale of Tomtech	521	0	1,000	549
Due from staff	89	55	102	67
Insurance refunds	119	0	84	0
Accrued interest	280	0	61	0
Receivables from a leasing company	0	0	3,158	0
Employer contribution reserve	0	0	51	0
Other	313	16	327	16
Total financial instruments	15,135	2,198	15,601	2,564
Deferred income	1,465	55	1,356	0
Social security claims	1,300	0	974	0
Advance payments	1,065	0	1,065	0
VAT accruals	125	0	191	0
Claims from other taxes	131	0	223	0
Total other assets	4,086	55	3,809	0
Other assets	19,221	2,253	19,410	2,564

The other assets of the company are not collateralised. The company thus bears the risk that bad debts may occur up to the carrying amount.

The financial instruments included under other current assets have the following maturities on the respective balance sheet date:

in th. euros	Carrying amount	Not overdue	Overdue				
			Less than 30 days	between 31 and 90 days	between 91 and 180 days	between 180 and 360 days	over 360 days
31.12.2009							
Financial instruments	15,135	14,739	317	25	10	12	32
31.12.2008							
Financial instruments	15,601	15,362	148	43	40	6	2

As of the reporting date there were no indications that the debtors of assets not overdue would not meet their payment obligations.

For the recognition in accordance with IFRS 7, the financial instruments included under other assets were allocated in full, as in the prior year, to "Other financial assets".

(15) Cash and cash equivalents

The cash and cash equivalents in the amount of 76,467 thousand euros (prior year: 77,300 thousand euros) include cash at banks and on hand and short-term realisable securities with initial maturities of less than three months from the date of acquisition.

For the recognition in accordance with IFRS 7, the cash and cash equivalents are allocated in full, as in the prior year, to "Cash and cash equivalents".

(16) Equity

The development of the Group equity is presented in the consolidated statement of changes in equity as an explicit component of the financial statement before the Notes to the Consolidated Financial Statements.

Issued capital

As of 31 December 2009, the equity capital of the company was divided into 21,000,000 (prior year: 21,200,000) fully paid ordinary shares issued with a calculated nominal value of 1.00 euro each. Each share confers one vote.

The equity capital was reduced by the enabling resolution of the Annual General Meeting of 17 June 2008 and 16 June 2009 in combination with the resolution of the Executive Board of 21 September 2009 and the approval of the Supervisory Board of 2 October 2009 from 21,200,000 euros to 21,000,000 euros by the retirement of 200,000 shares in simplified form in accordance with § 237 (3) No. 2 AktG. In accordance with § 237 (5) AktG an amount of 200,000 euros equal to the retired shares' proportion to the equity capital was transferred to the capital reserves.

More information in this connection is presented under "Treasury shares".

Authorised and contingent capital

Pursuant to § 4 (3) of the articles of incorporation of Bechtle AG, the Executive Board is authorised to increase the company's equity capital by up to 10,600 thousand euros with the approval of the Supervisory Board by issuing new bearer shares (**authorised capital** according to the resolution of the Annual General Meeting of 16 June 2009) until 15 June 2014. The authorisation issued accordingly by the Annual General Meeting on 11 June 2004 until 10 June 2009 was cancelled by the resolution of the Annual General Meeting of 16 June 2009.

Capital increases may occur against cash contributions and/or contributions in kind. The Executive Board is authorised with the approval of the Supervisory Board to exclude fractional amounts from the shareholders' subscription rights. The Executive Board is moreover authorised with the approval of the Supervisory Board to exclude the subscription right, provided (i) the capital increase occurs against contributions in kind to acquire companies or holdings in companies or (ii) the capital increase occurs against cash contributions, does not exceed ten per cent of the equity capital at the time of issue and the issue price is not significantly below the listed price or (iii) the capital increase occurs for the purpose of issuing employee shares and the proportional amount does not exceed ten per cent of the equity capital at the time of issue.

The Executive Board is authorised with the approval of the Supervisory Board to lay down the further details for implementing capital increases from the authorised capital.

The **contingent capital** (contingent capital 2001) in the amount of 2,000 thousand euros, approved on 1 June 2001, was cancelled by resolution of the Annual General Meeting of 16 June 2009.

Capital reserves

The capital reserves for the most part include the offering premium (agio) from capital increases and as of 31 December 2009 amounted to 145,228 thousand euros (prior year: 143,454 thousand euros).

The increase that occurred in the year under review of 1,774 thousand euros resulted in the amount of 200 thousand euros from the retirement of treasury shares and in the amount of 1,574 thousand euros from the resale of treasury shares, as explained in more detail under "Treasury shares".

Retained earnings

Aggregate profits

At the Annual General Meeting of 16 June 2009, a resolution was passed to distribute a dividend of 0.60 euros for each share with dividend entitlement for the fiscal year 2008. The payment of the dividends occurred on 17 June 2009. At this time, the number of treasury shares was 457,801 and the number of outstanding shares was correspondingly 20,742,199, so that the dividend sum paid out came to 12,445 thousand euros (prior year: 12,720 thousand euros).

Dividends may only be paid from the net profit and the retained earnings of the company, as recognised in the Annual Financial Statements of Bechtle AG prepared in accordance with German commercial law. These amounts deviate from the total equity as stated in the Consolidated Financial Statements in accordance with IFRS. The fixing of the distribution of future dividends is proposed jointly by the Executive Board and Supervisory Board of the company and decided by the Annual General Meeting.

The decisive factors are in particular profitability, the financial situation, capital requirements, business prospects and the general economic framework conditions of the company. Since the company's strategy is geared towards internal and external growth, investments will be necessary for this purpose, which should – where possible – be financed internally. The Executive Board decided to propose to the Supervisory Board and the Annual General Meeting to appropriate the retained earnings for the 2009 fiscal year in the amount of 12,600 thousand euros for distribution of a dividend in the amount of 0.60 euro per no-par share with dividend entitlement.

In addition the retained earnings changed in the reporting period by 34,389 thousand euros, which equals overall earnings comprising earnings after tax (34,258 thousand euros) and the other earnings (131 thousand euros), and by –2,253 thousand euros from the retirement of treasury shares. Accordingly, the retained earnings as of 31 December 2009 amounted to 168,733 thousand euros (prior year: 149,042 thousand euros).

Accumulated earnings outside profit or loss

On the balance sheet date the accumulated earnings outside profit or loss were composed as follows:

in th. euros	31.12.2009	31.12.2008
Actuarial pension scheme gains and losses	– 9,163	– 9,586
Income tax effects	1,915	1,882
Unrealised losses from securities	121	0
Income tax effects	– 30	0
Unrealised losses/gains from financial derivatives	– 389	– 369
Income tax effects	114	98
Currency exchange differences from net investments in foreign business operations	5	– 841
Income tax effects	0	66
Hedging of net investments in foreign business operations	– 665	0
Income tax effects	194	0
Currency exchange differences	3,296	4,017
Accumulated earnings outside profit or loss	– 4,602	– 4,733

The other earnings correspondingly amounted to 131 thousand euros (prior year: 4,933 thousand euros) within the overall earnings in the reporting period.

Treasury shares

On 9 October 2008, the Executive Board of Bechtle AG decided to buy back up to 2.12 million treasury shares via the stock exchange (XETRA). The buy-back is based on the resolution of the Annual General Meeting authorising the company pursuant to Section 71 (1) no. 8 of the German Stock Corporation Act (AktG) to purchase treasury shares up to the value of ten per cent of the equity capital as it existed on the date of the resolution. The authorisation from the resolution of the Annual General Meeting of 16 June 2009 is valid until 15 November 2010 and replaces the previous authorisation of the Annual General Meeting of 17 June 2008, which was originally valid until 16 November 2009.

Treasury shares are purchased via the stock exchange or in the context of a public offering by the company. The price paid by the company per share may be not more than 10 per cent above or below the average closing price for the company's shares on the Xetra platform during the last five trading days prior to the purchase of treasury shares or, in the case of a public offering, prior to the date of publication of the public offering. For the rest, acquisition and use of treasury shares must correspond to the content of the conditions of the Annual General Meeting resolution.

The transactions in treasury shares in the reporting period and in the prior year and their amount on the balance sheet date were as follows:

	Amount	Share in equity capital		Price per share	Total price including transaction costs
	Quantity	in th. euros	per cent	euros	in th. euros
Situation as of 01.01.2008	0				
Purchases	209,500	210	0.99	10.70	2,247
Sales	0				
Retierment	0				
Situation as of 31.12.2008	209,500	210	0.99	10.70	2,247
Situation as of 01.01.2009	209,500	210	0.99	10.70	2,247
Purchases	251,551	252	1.19	11.69	2,946
Sales	261,051	261	1.23	17.33	4,514
Retierment	200,000	200	0.94	11.24	2,253
Situation as of 31.12.2009	0				

The decision of the Executive Board to terminate the share buy-back and retire 200,000 existing treasury shares and re-sell the remaining 261,051 treasury shares via the stock exchange was made on 21 September 2009. The approval required from the Supervisory Board for the retirement of the shares was granted on 2 October 2009.

As also evident in the consolidated statement of changes in equity, the retirement of the treasury shares acquired led to a reduction in the issued capital by 200,000 thousand euros with a simultaneous increase in the capital reserves by the same amount. The retained earnings fell correspondingly by the acquisition costs of the retired shares by 2,253 thousand euros. With regard to the sale of the acquired treasury shares, the sales proceeds (4,514 thousand euros) exceeded the acquisition costs (2,940 thousand euros) by 1,574 thousand euros. This capital gain was recognised in the capital reserves outside profit or loss.

In 2009, the number of treasury shares fell by 209,500 from 209,500 on 31 December 2008 to 0 on 31 December 2009. The number of outstanding shares on 31 December 2008 was correspondingly 20,990,500 and on 31 December 2009 (after sale and retirement) 21,000,000. The weighted average number of outstanding shares in the reporting period, determined in accordance with IAS 33, amounted to 20,853,034 (prior-year period: 21,164,950).

Minority interests

After the complete acquisition of the remaining minority interests in equity no new minority interests arose, so there were no changes compared to the previous year and on 31 December 2009 no minority interests in equity existed.

Capital management

With an equity ratio (equity in relation to balance sheet total) of 64.3 per cent (prior year: 62.8 per cent), Bechtle has a solid equity structure. The goal of capital management at Bechtle is to retain a strong equity base in order to maintain the trust of investors, lenders and the market and to facilitate future internal and external growth.

The Group manages its capital structure and makes adjustments in line with changes in the underlying economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payments to the shareholders or issue new shares or buy back treasury shares and if necessary also retire them. As of 31 December 2009 and 31 December 2008 respectively, no changes has been made to the goals, guidelines and procedures.

(17) Pension provisions

With the exception of the pension plans held at Bechtle Holding Schweiz AG, Rotkreuz, Switzerland and its subsidiaries as well as of Bechtle Onsite Services GmbH, Neckarsulm, the Bechtle Group has no defined benefit pension plans.

Defined contribution obligations exist primarily only in connection with the statutory pension obligation. Here the employer contributions to the statutory pension fund in Germany amounted to 10,792 thousand euros (prior year: 10.461 thousand euros),

Bechtle Holding Schweiz AG and subsidiaries

Although, the pension plans of Bechtle Holding Schweiz AG and its subsidiaries are contractually agreed to as defined contribution plans, they must, however, be accounted for as defined benefit plans pursuant to IAS 19, as a financial participation by the companies in the event of a shortfall in cover cannot be excluded.

Due to insufficient information provided by the Group's independent pension funds (group insurance providers), the pension plans were not accounted for as defined benefit plans pursuant to IAS 19 until 31 December 2005.

As from 1 January 2006, the companies of Bechtle Holding Schweiz AG with registered offices in Switzerland have made use of the semi-autonomous "Bechtle Pension Fund" ("Bechtle Pensionskasse") which is independent of the Group and is a foundation as defined by Art. 80 et.seq. of the Swiss Civil Code, Art. 331 et.seq. of the Swiss Law of Obligations, Art. 48 ff. of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (BVG) with registered offices in Rotkreuz. Companies of Bechtle Holding Schweiz AG not registered in Switzerland are covered by external State (Germany, France and Austria) and private (Netherlands) pension funds. The "Bechtle Pension Fund" has, since 1 January 2006, had the required transparency to be able to account for the pension plans as defined benefit plans pursuant to IAS 19.48 et.seq. For this reason, actuarial opinions have been regularly prepared since 1 January 2006.

As of 31 December 2008, the comparison of plan assets (30,833 thousand euros) and the defined benefit obligation (39,255 thousand euros) resulted in an underfunding and a net obligation to be accounted for of 8,422 thousand euros, which was duly recognised as a pension provision. This recognised net obligation of 9,736 thousand euros was due to actuarial losses which were recognised directly in equity (retained earnings) with no effect on profit and loss after taking into account deferred taxes pursuant to IAS 19.93A.

During the reporting period, actuarial gains of 468 thousand euros were accrued. Taking into account the differences from exchanging foreign currencies amounting to –23 thousand euros, actuarial losses of 9,291 thousand euros less 1,949 thousand euros in deferred tax assets was recognised in retained earnings as of 31 December 2009.

In the reporting period, the net pension expenses to recognised through profit and loss exceeded the employer contributions paid by an amount of 150 thousand euros which was recorded as an additional personnel expense (operating expense).

After taking into account other currency exchange differences amounting to 2 thousand euros, the total net obligation to be reported as of 31 December 2009, and thus the pension provisions, ultimately amounted to 8,125 thousand euros.

Bechtle Onsite Services GmbH

The pension obligations of Bechtle Onsite Services GmbH, Neckarsulm are a result of the take over of a partial business unit as of 1 October 2005 and, based on an actuarial opinion, were accounted for in the Bechtle Group for the first time as of 31 December 2005.

The obligations of this defined benefit pension plan were processed as directed commitments without the transfer of reserves. These relate to a pension scheme financed by provisions without fund cover. Regular actuarial opinions are prepared for the measurement. As of 31 December 2008, the balance sheet pension provision amounted to 437 thousand euros. The actuarial gains amounted to 150 thousand euros (deferred tax liabilities: 39 thousand euros).

As of 31 December 2009, the pension provisions of the Bechtle Group increased by 69 thousand euros to 506 thousand euros. Of this increase, 22 thousand euros was recognised outside profit or loss as an actuarial loss (deferred taxes: 5 thousand euros), while 47 thousand euros was recognised as expenses.

In total, the pension obligations of Bechtle Onsite Services GmbH and Bechtle Holding Schweiz AG and its subsidiaries as recognised in the consolidated balance sheet as of 31 December 2009 came to 8,631 thousand euros.

The reconciliation for the present value of the defined benefit obligation is presented as follows:

in th. euros	2009	2008
Present value of defined benefit obligation as of 01.01.	39,692	38,460
Current service cost (for pension entitlements earned in the reporting period)	2,724	1,654
Interest cost (for pension entitlements acquired at an earlier date)	1,104	1,444
Employee contributions	1,754	1,719
Actuarial gains/losses	651	- 2,473
Company mergers	0	0
Paid pension benefits	- 2,638	- 5,212
Currency exchange differences	184	4,100
Present value of defined benefit obligation as of 31.12.	43,471	39,692

The fair value of the plan assets is reconciled as follows:

in th. euros	2009	2008
Fair value of projected assets as of 01.01.	30,833	32,685
Expected revenue from projected assets	1,187	1,547
Employee contributions	1,754	1,719
Employer contributions	2,444	2,410
Actuarial gains/losses	1,097	- 5,660
Company mergers	0	0
Paid pension benefits	- 2,638	- 5,212
Currency exchange differences	163	3,344
Fair value of projected assets as of 31.12.	34,840	30,833

The table below shows the reconciliation for the pension provisions recognised on the balance sheet:

in th. euros	31.12.2009	31.12.2008	31.12.2007	31.12.2006	31.12.2005
Present value of defined benefit obligation as of	43,471	39,692	38,460	39,363	559
Fair value of projected assets as of 01.01.	34,840	30,833	32,685	33,979	0
Net obligation	8,631	8,859	5,775	5,384	559
Pension reserves shown in the balance sheet	8,631	8,859	5,775	5,384	559

The net pension expenses for the defined benefit pension plans recognised in the **income statement** are comprised as follows:

in th. euros	2009	2008
Current service cost (for pension entitlements in the reporting period)	2,724	1,654
Interest cost (for pension entitlements acquired at an earlier date)	1,104	1,444
Expected revenue from projected assets	-1,187	-1,547
Net pension expenses for benefit commitments	2,641	1,551

The defined benefit pension plans and their actuarial measurement are based on the following parameters:

	Bechtle Holding Schweiz AG (sub-group)	Bechtle Onsite Services GmbH
Discount rate	3.00%	5.50%
Inflation rate	1.50%	n/a
Long-term expected appreciation of projected assets	4.00% from 31.12.2008 "net" (i. e. after administration costs)	n/a
Salary increase (incl. inflation rate)	2.00%	0.00%
Pension increase	0.00%	0.00%
Retirement likelihood, mortality, invalidity	BVG 2005	Heubeck guide 2005 G; Retirement likelihood conditional on age and company service
Likelihood of marriage	80%; age difference between husband and wife is three years	Heubeck guide 2005 G
Earliest retirement age	Men and women 100% aged 64	Men and women 100% aged 62
Surcharge for longevity	3.00%	none

The total projected returns result from the weighted average projected income from the investment categories held by the plan assets. The projected income is estimated by management based on historical profit and market predictions by analysts for the respective assets for the next twelve months.

In respect of the investment categories, the plan assets of Bechtle Holding Schweiz AG are comprised as follows:

	31.12.2009
Obligations	41.5%
Equity instruments	25.0%
Property	19.1%
Others	12.7%
Liquidity	1.7%

The experience adjustments of the defined benefit obligation and the plan assets are as follows:

in th. euros	2009	2008	2007	2006	2005
Empirical adjustment to defined benefit obligation (gain)	196	4,075	341	–	–
Empirical adjustment to projected assets (gain)	1,097	–5,660	1,448	–	–

The actuarial opinions for Bechtle Holding Schweiz AG and Bechtle Onsite Services GmbH forecast the following values for 2010:

in th. euros	2010
Present value of defined benefit obligation as of 01.01.	43,471
Current service cost (for pension entitlements in the reporting period)	2,511
Interest cost (for pension entitlements acquired at an earlier date)	1,284
Employee contributions	1,821
Paid pension benefits	–2,186
Present value of defined benefit obligation as of 31.12.	46,901

in th. euros	2010
Fair value of projected assets as of 01.01.	34,841
Projected revenue from projected assets	1,433
Employee contributions	1,821
Employer contributions	2,538
Paid pension benefits	–2,184
Fair value of projected assets as of 31.12.	38,449

in th. euros	31.12.2010
Present value of defined benefit obligation	46,901
Fair value of projected assets	38,449
Net obligation	8,452
Pension provisions shown in the balance sheet	8,452

in th. euros	2010
Current service cost (for pension entitlements in the reporting period)	2,511
Interest cost (for pension entitlements acquired at an earlier date)	1,284
Projected revenue from projected assets	-1,433
Net pension expenses for benefit commitments	2,362

(18) Other provisions

in th.euros	31.12.2008	Currency exchange and other change	Utilisation	Release	Addition	31.12.2009
Warranties	2,641	0	2,219	190	1,748	1,980
Other personnel costs	411	4	148	20	545	792
Legal and consulting costs	466	1	263	45	320	479
Investor relations	180	0	180	0	180	180
Decommissioning costs	108	0	24	84	0	0
Others	665	-2	374	200	671	760
	4,471	3	3,208	539	3,464	4,191
Other non-current provisions	452	-199	91	6	76	232
Other current provisions	4,019	202	3,117	533	3,388	3,959

The provisions for **warranties** are formed for the expected use based on company-specific empirical values. **Other personnel costs** primarily include back payments of salaries. The **legal and consulting costs**, for the most part, relate to costs for legal advice. The provisions for **investor relations** include costs for the Annual General Meeting and the Annual Report. The provision for **decommissioning costs** includes primarily rental obligations. **Other provisions** primarily relate to provisions for anticipated losses, archiving and disposal costs as well as contingent liabilities.

The other change in the current and non-current provisions relates primarily to the changed maturity of a personnel provision.

(19) Financial liabilities, interest rate swaps and credit lines

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
– Sparkasse Schwäbisch Hall-Crailsheim, loan for various acquisitions 2008	857	4,286	857	5,143
– IKB Deutsche Industriebank, loan for the financing of the new Bechtle AG administrative building	417	1,771		
– Supplier loans	822	547		
– Deutsche Bank AG, loan for the acquisition of ARP Holding AG	0	0	2,728	0
– Sparkasse Schwäbisch Hall-Crailsheim, loan for the acquisition of ARP Holding AG	0	0	1,344	0
– Other non-current loans	44	0	114	42
Loans with an initial term in excess of 1 year	2,140	6,604	5,043	5,185
Other financial liabilities	421	0	5,423	0
Total financial liabilities	2,561	6,604	10,466	5,185

A **loan from Sparkasse Schwäbisch Hall-Crailsheim** in the amount of 5,143 thousand euros has a term until 30 September 2015. It is subject to a variable interest rate (Euribor-3M + 85 basis points) and is repaid by means of annual payments of 857 thousand euros on 30 September of each year. Collateral is provided in the negative pledge, or the pari passu clause on furnishing collateral. The risks pertaining to the variable interest rate of the loan are eliminated by an interest rate swap. The interest rate swap with an initial reference amount of 6,000 thousand euros is to be regarded as a cash flow hedge and as 100 per cent effective in hedging the interest rate risk. Bechtle pays the fixed interest rate of 4.8 per cent and receives the Euribor-3M as a variable interest rate. The date of maturity is set at 30 September 2015. Taking into account the hedge by the interest rate swap against the interest rate risk, the loan is subject to an interest rate of 5.65. The market value of the interest rate swap as of 31 December 2009 amounted to –389 thousand euros (prior year: –369 thousand euros) and, after taking into account deferred taxes of 114 thousand euros (prior year: 98 thousand euros) recognised directly in equity (retained earnings) outside profit or loss. During the reporting period and in the prior year there were no ineffective changes in market value to be recognised through profit or loss in the income statement.

The **loan from IKB Deutsche Industriebank AG** of 2,188 thousand euros matures on 31 March 2015. It is subject to a fixed interest rate (3.7 per cent p.a.) and is repaid by means of quarterly payments of 104 thousand euros at the end of each quarter. Collateral is provided in the negative pledge, or the pari passu clause on furnishing collateral.

The **loan from a supplier** amounting to 1,369 thousand euros valued in Swiss francs (2,031 thousand Swiss francs) is non interest-bearing with repayment dates on 1 July 2010 (822 thousand euros) and 1 July 2011 (547 thousand euros),

The **loan from Deutsche Bank AG and a loan from Sparkasse Schwäbisch Hall-Crailsheim** were fully repaid on scheduled on 1 April 2009.

The remaining financial liabilities (initial term less than one year) of 421 thousand euros include low-interest loans of a supplier amounting to 400 thousand euros (prior year: 4.898 thousand euros) and other current accounts debt of 21 thousand euros (prior year: 525 thousand euros).

The company has global credit lines of 36,846 thousand euros. As of balance sheet date, 0 thousand euros was used as a cash loan and 2,137 thousand euros in guarantee credits resulting in unused credit lines of 34,709 thousand euros.

For the purposes of disclosure in accordance with IFRS 7, the financial liabilities were allocated to the "loan" class as in the prior year.

(20) Trade Payables

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Trade payables	79,460	97	83,250	284

Trade payables are allocated in full to "Trade Payables" in accordance with IFRS 7 (prior year: 83,528 thousand euros and 6 thousand euros to "Finance leasing").

(21) Other Liabilities

Other liabilities are comprised as follows:

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Personnel liabilities	20,091	0	21,375	123
Customer liabilities	3,357	0	3,284	0
Customer bonus	661	0	606	0
Annual financial statement costs	609	0	653	0
Rent and ancillary rental costs	526	0	392	0
Liabilities new building	446	0	0	0
Unrealised losses from financial derivatives	390	0	369	0
Security deposits	50	302	0	350
Telephone/Internet	223	0	187	0
Transportation charges	161	0	109	0
Advertising	136	0	34	0
Insurance policies	82	0	154	0
Liabilities resulting from acquisitions	0	0	135	0
Others	1,336	0	2,043	0
Total financial instruments	28,068	302	29,341	473
VAT	10,083	0	7,111	0
Wage and church tax	2,297	0	2,410	0
Social security contributions	1,680	0	1,672	0
Liabilities from other taxes	253	0	229	0
Total other liabilities	14,313	0	11,422	0
Other liabilities	42,381	302	40,763	473

Other liabilities primarily relate to various administrative expenses and distribution costs incurred in the ordinary course of business.

For disclosure in accordance with IFRS 7, 27,980 thousand euros (prior year: 29,445 thousand euros) of the financial instruments included in other liabilities are allocated to the category "Other Financial Liabilities", while 390 thousand euros (prior year: 369 thousand euros) are allocated to "Financial Derivatives".

(22) Deferrals and Accruals

Deferrals and accruals are comprised as follows:

in th. euros	31.12.2009		31.12.2008	
	current	non-current	current	non-current
Prepayments received	12,991	0	5,627	0
Deferred income	6,613	4,820	5,082	4,153
Deferrals and accruals	19,604	4,820	10,709	4,153

Deferrals and accruals primarily include accruals for maintenance contracts and guarantee extensions.

V. FURTHER EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The cash flow statement for the 2009 reporting period and the prior year was prepared in accordance with IAS 7 and reports the development of cash flows broken down by cash inflows and outflows from operating, investing and financing activities. The cash flow is determined using the indirect method.

As in the prior year, cash and cash equivalents include cash on hand, cheques and bank balances with a residual time to maturity of no more than 3 months and correspond to the balance sheet item "Cash and Cash Equivalents". Currency conversion effects on cash and cash equivalents are shown separately in the calculation.

(23) Cash Flow from Operating Activities

Cash flow from operating activities of 46,665 thousand euros (prior year: 49,941 thousand euros) is derived indirectly from the earnings before taxes. In the context of the indirect method, the financial results, depreciation, amortisation and other non-cash expenses and income as well as changes in material balance sheet items and the remaining net assets are taken into account.

Other non-cash expenses and income primarily include changes to provisions and impairments. In addition, the prior year included the profit from the sale of the Group company Tom Tech in the amount of 466 thousand euros.

The changes to the balance sheet items are adjusted for assets and liabilities assumed (ceded) from acquisitions (deconsolidation) as well as for currency conversion effects.

(24) Cash Flow from Investing Activities

The net cash used for investments amounting to 29,627 thousand euros (prior year: 18,074 thousand euros) in 2009 primarily include payments for investments in intangible assets and property, plant and equipment as well as financial investments and securities. These payments were reduced by payments received from the sale of property, plant and equipment, consolidated companies and other assets as well as interest payments received.

The payments made for the acquisition of Group companies in 2009 relate to subsequent price adjustments and payment obligations for acquisitions from prior years. The payments received from the sale of consolidated companies relate to the Group company TomTech sold in the prior year.

The gross cash flows for the acquisition and sale of non-current investments in capital investments and securities are recognised separately. The cash flows of current investments in capital investments and securities are shown as netted.

(25) Cash Flow from Financing Activities

The net cash used for financing activities amounting to 17,772 thousand euros (prior year: 10,136 thousand euros) are a result of the assumption and repayment of financial liabilities, the distribution of dividends, the acquisition and sale of treasury shares as well as interest payments made.

Gross payments received and payments made are recognised separately for the non-current financial liabilities and treasury shares. The cash flows for current financial liabilities are shown as netted.

VI. FURTHER DISCLOSURES ON FINANCIAL INSTRUMENTS IN ACCORDANCE WITH IFRS 7

Information on Financial Instruments by Category

The tables below show carrying amounts and fair values of financial instruments for the categories of financial instruments in accordance with IFRS 7:

in th. euros	Valuation category	Carrying amount	Amortised costs	Fair value recognised directly in equity	IAS 17	Fair value
31.12.2009						
Classes pursuant to IFRS 7						
Assets						
Trade receivables	LAR	184,124	184,124			184,124
Capital investments	LAR	18,049	18,049			18,049
Security investments	AFS	461		461		461
Other financial assets	LAR	17,333	17,333			17,333
Cash and cash equivalents	LAR	76,467	76,467			76,467
Liabilities						
Loans	FLAC	9,165	9,165			9,165
Trade payables	FLAC	79,557	79,557			79,557
Other financial liabilities	FLAC	27,980	27,980			27,980
Financial derivatives	n. a.	390		390		390
Finance leasing	n. a.	0				
Thereof aggregated according to valuation category pursuant to IAS 39:						
	LAR	295,973	295,973	0	0	295,973
	AFS	461	0	461	0	461
	FLAC	116,702	116,702	0	0	116,702

in th. euros	Valuation category pursuant to IAS 39	Carrying amount	Amortised costs	Fair value recognised directly in equity	IAS 17	Fair value
31.12.2008						
Classes pursuant to IFRS 7						
Assets						
Trade receivables	LAR	188,768	188,768			188,768
Security investments	AFS	338		338		338
Other financial assets	LAR	18,165	18,165			18,165
Cash and cash equivalents	LAR	77,300	77,300			77,300
Liabilities						
Loans	FLAC	15,651	15,651			15,651
Trade payables	FLAC	83,528	83,528			83,528
Other financial liabilities	FLAC	29,445	29,445			29,445
Financial derivatives	n. a.	369		369		369
Finance leasing	n. a.	6			6	6
Thereof aggregated according to valuation category pursuant to IAS 39:						
	LAR	284,233	284,233	0	0	284,233
	AFS	338	0	338	0	338
	FLAC	128,624	128,624	0	0	128,624

Abbreviation used for the measurement categories of IAS 39:

LAR = Loans and receivables

AFS = Available-for-sale financial assets

FLAC = Financial liabilities at amortised cost

Due to the predominantly short-term nature of the instruments, the carrying amounts of the categories deviate only negligibly from the fair values. The fair values of other non-current assets and liabilities correspond to the present value of the associated payments taking into account the respective current interest rate parameters.

The following overview represents the fair value of the financial instruments accounted for; the measurement is based on these material parameters. The individual levels are defined in accordance with IFRS 7:

Level 1: Measurement at prices quoted on active markets (adopted unchanged) for identical assets and liabilities;

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

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

in th. euros	31.12.2009				31.12.2008			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Security investments	461			461	338			338
Financial liabilities								
Financial derivatives		390		390		369		369

During the reporting period up to 31 December 2009, there were no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassifications to or from measurements at fair value of Level 3.

The expenses, income, losses and profits from financial instruments can be categorised as follows (net result):

in th. euros	From interest	From the subsequent valuation		From disposal	Net earnings	
		Currency exchange	Valuation allowance		2009	2008
Granted loans and receivables	1,503	-184	-29	-448	842	1,194
Financial liabilities at amortised costs	-553	334			-219	-713
Available for sale financial assets					0	-299
Held for trading purposes (only derivatives)					0	501
Total	950	150	-29	-448	623	683

Total interest income for financial assets corresponds to the values stated above. The total interest cost for financial liabilities, without taking interest rate swaps into account, amounts to 365 thousand euros.

Disclosures on Risk Management of Financial Instruments

Currency Risk

Receivables, liabilities and cash and cash equivalents which are not transacted in the functional (local) currency used by the companies are exposed to currency risks from financial instruments. The Bechtle Group is exposed to currency risks from financial instruments in foreign currency due to deliveries and services to and from Group companies in Switzerland and the United Kingdom as well as from deliveries invoiced in US dollars in individual cases.

In individual cases, the Bechtle Group makes use of forward exchange contracts and currency swaps for hedging against risks from exchange rate fluctuations affecting receivables and liabilities denominated foreign currency. During the reporting period, EUR/CHF forward exchange contracts were concluded amounting to 6,480 thousand euros (prior year: 7,330 thousand euros) as well as EUR/USD forward contracts amounting to 1,015 thousand US dollars (prior year: 6,569 thousand US dollars) and EUR/USD currency swaps amounting to 60 thousand US dollars (prior year: 3,963 thousand US dollars). As of the balance sheet date, various hedging relationships, carried as fair value hedges pursuant to IAS 39, involved commitments for the sale of US dollars amounting to a net sum of 290 thousand US dollars (prior year: 3.811 thousand US dollars).

The following sensitivity analysis illustrates the impact a decrease (or increase) in the euro exchange rate could have on consolidated earnings before taxes. The changes in the fair values of the financial assets and liabilities recognised as of the respective balance sheet date due to the changed exchange rate are taken into account. Exchange-rate-related differences from the translation of financial statements into the reporting currency are not taken into account.

in th. euros	2009		2008	
Effects of a fall (or upgrading respectively) in the euro by 10% compared with				
CHF	+129	(-129)	-306	(+306)
USD	+55	(-55)	+140	(-140)
GBP	+3	(-3)	+5	(-5)

Furthermore, fluctuations in the EUR/CHF exchange rate can significantly affect the consolidated earnings as a considerable portion of the business is generated in Switzerland. To hedge the EUR/CHF exchange rate risks of projected income generated in 2009 by the Swiss subsidiaries, EUR/CHF forward contracts were taken out at the beginning of the reporting period amounting to 7 million Swiss francs without designating or qualifying this hedge for hedge accounting in accordance with IAS 39. As the EUR/CHF exchange rate at the beginning and end of the reporting period remained almost unchanged, no noteworthy effects on profit arose from this forward exchange contract. In the prior year, a cash gain of 501 thousand euros (before taxes) was realised in a similar manner and recognised in other operating income (-133 thousand euros income tax effect).

In the Consolidated Financial Statements (euros), exchange differences arose from the conversion of foreign currency financial statements of foreign subsidiaries. These differences are carried and recognised separately directly in equity. To compensate for these foreign currency exchange differences outside profit or loss and to hedge a net investment in a foreign operation (IAS 39.102; IFRIC 16), Bechtle took out a corresponding EUR/CHF forward exchange contract for the first time during the course of the reporting period. The sale in October 2009 of 60 million Swiss francs on forward contract resulted in the recognition in other income, outside profit or loss, of an amount of –665 thousand euros (+194 thousand euros income tax effect).

Interest Rate Risk

The interest rate risk to which the Bechtle Group is exposed applies primarily to the interest earned by its cash and cash equivalents and from capital investments and securities.

The variable interest loan from Sparkasse Schwäbisch Hall-Crailsheim is fully hedged against the interest rate risk by a corresponding interest rate swap as a cash flow hedge. Since there is no ineffectiveness from the hedge, changes in interest rates only affect the fair value measurement of the interest rate swaps as recognised directly in equity. In addition, the Group has a minimal position – and thus an insignificant interest rate risk – in variable rate financial instruments, which are exposed to cash flow risk from a possible deterioration in interest rates, and fixed-income financial instruments, which are exposed to fair value risks from interest rate fluctuations.

The sensitivity analysis was carried out for the Bechtle Group's cash and cash equivalents and capital investments and securities as of the balance sheet date as well as taking into account the relevant interest rates in the relevant currencies (EUR, CHF, GBP and USD). A hypothetical decrease or increase in these interest rates from the beginning of the reporting period by 100 basis points or one per cent p.a. (assuming constant exchange rates) would have led to a decrease or increase in the interest income by 950 thousand euros (prior year: 773 thousand euros),

In the case of the existing interest rate swap, such a decrease or increase in interest rates would have led to a change in the fair value recognised directly in equity outside profit or loss of a total by –179 thousand euros or +173 thousand euros (prior year: –230 thousand euros or +218 thousand euros).

Liquidity Risk

The liquidity risk from financial instruments results from future interest payments and redemption payments for financial liabilities and derivative financial instruments. The tables below show the non-discounted payment obligations for the relevant balance sheet items as of the balance sheet date and the prior year's balance sheet date in accordance with IFRS 7.

The cash flows for the loans and interest rate swaps described in Item IV. No. 19 are grouped together as a 100 per cent effective cash flow hedge. The other liabilities also include the non-financial liabilities of the balance sheet items to ensure better matching.

in th. euros	Financial liabilities		Trade payables		Other liabilities
	Loans and interest swaps	Other short-term liabilities	Non-interest bearing liabilities	Liabilities from finance leasing	
Carrying amount as of 31.12.2009	8,744	421	79,557	0	42,683
Cash flow 2010					
Interest	198				7
Repayment	2,139	421	79,458		42,383
Cash flow 2011					
Interest	160				6
Repayment	1,822		99		100
Cash flow 2012					
Interest	123				4
Repayment	1,274				100
Cash flow 2013					
Interest	86				2
Repayment	1,274				100
Cash flow 2014					
Interest	49				
Repayment	1,274				
Cash flow 2015					
Interest	18				
Repayment	961				

in th. euros	Financial liabilities		Trade payables		Other liabilities
	Loans and interest swaps	Other short-term liabilities	Non-interest bearing liabilities	Liabilities from finance leasing	
Carrying amount as of 31.12.2008	10,228	5,423	83,528	6	41,236
Cash flow 2009					
Interest	174				7
Repayment	5,043	5,423	83,266	6	40,763
Cash flow 2010					
Interest	124				7
Repayment	900		198		50
Cash flow 2011					
Interest	102				6
Repayment	857		99		146
Cash flow 2012					
Interest	80				4
Repayment	857				146
Cash flow 2013					
Interest	59				2
Repayment	857				146
Cash flow 2014					
Interest	38				
Repayment	857				
Cash flow 2015					
Interest	16				
Repayment	857				

Credit Risk

The carrying amounts of the financial assets correspond to the maximum credit risk. There is no hedging, with the exception of industry-standard reservations of title for trade receivables as well as country-specific deposit guarantee funds for cash and cash equivalents and capital investments. If any risks of default are identified from the financial assets they will be recognised in the valuation allowances.

Further information regarding risk management and for determining the concentration of risk within the Bechtle Group for the currency risk, interest rate risk, liquidity risk and other market risks including its targets, methods and processes are stated in the Risk Report, pages 90 ff.

VII. SEGMENT INFORMATION

The segment information is provided in accordance with IFRS 8 "Operating Segments" as was the case in the prior year. This standard was initially applied by Bechtle for the 2008 fiscal year ahead of the compulsory application deadline.

Bechtle Group is currently active in two business segments, the IT system house & managed services segment and the IT e-commerce segment. The two segments differ in terms of the areas of activity involved as well as with regard to the processes applied for IT product trading purposes. The strategic alignment and expansion strategy pursued are also different.

Via its **IT system house & managed services** segment, Bechtle offers small- and medium-sized companies, financial service providers and public institutions comprehensive support in the field of IT infrastructure, applications and related areas. In so doing, the services offered include IT strategy consulting, hardware and software supply, project planning and rollout, system integration, IT services, maintenance and training as well as numerous IT services through to complete IT operation. The extensive, decentralised organisation with in excess of 50 IT system houses in Germany, Austria and Switzerland means the company is always in close proximity to its customers.

The **IT e-commerce** segment comprises the group's Internet, catalogue and telesales-based trading activities, in the case of which Bechtle pursues a multi-brand strategy. The company is currently represented in twelve European countries with the brand *Bechtle direkt*, in five countries with the brand *ARP Datacon* and in five countries outside Germany via its *Comsoft* companies with their software licensing business. As a specialised IT reseller, Bechtle's IT e-commerce segment offers the full range of more than 41,000 standard IT products. Moreover, *ARP Datacon* also offers products under its own label to a limited extent.

Bechtle Group companies are based primarily in Germany. Foreign Group companies are located in Austria, Belgium, France, Ireland, Italy, the Netherlands, Poland (from April 2010), Portugal, Spain, Switzerland, Taiwan and the United Kingdom.

The administration and notably the strategic management of the individual companies are centralised primarily at Gaildorf and Neckarsulm, where the parent company Bechtle AG and the Group Executive Board are based.

As a general rule, the same reporting and valuation methods are applied for the segment information as for the Consolidated Financial Statements. A joint résumé of the business segments has not been drawn up.

The segment information presented here is based on the same indicators as those underpinning the internal reporting and controlling system that are used above all by the Group management for success evaluation and resource allocation purposes. It contains all income and expenses as well as the assets and liabilities of the central units/functions of the Bechtle Group in accordance with the relevant services provided or used in the two IT system house & managed services and IT e-commerce segments. The earnings-related key performance indicator for the segments is the operating profit before financial income, financial expense and tax. Financial income is not consolidated as the segments are primarily funded via Bechtle AG where external interest expense and income are mainly incurred. For this reason, financial income and expense are reported together as financial earnings merely at Group level as shown below. Accordingly, this is used as the basis for determining earnings before tax at Bechtle Group and ultimately earnings after tax after taking due account of taxes at Group level.

In so doing, this results in asymmetric allocation (IFRS 8.27f) insofar as the assets and debts reported for the segments' include interest-bearing assets and liabilities as well as tax receivables and payables. In the case of symmetrical allocation, segment assets and segment liabilities would be correspondingly lower and the earnings-related key performance indicator of the segments would include financial income, financial expense and tax.

Transactions are only conducted between the two segments to an insignificant extent. They are accounted for at market prices and, for the purposes of completeness and transparency, are shown below explicitly in respect of revenue as well as receivables and payables. External revenue constitutes the revenue generated by the two segments with parties external to the Group and, as such, the total consolidated revenue of Bechtle Group. The same applies to the receivables and payables as well as the assets and liabilities of the two segments and, as such, the total of those recorded by Bechtle Group too.

The investments, depreciation and amortisation reported relate to intangible assets (including goodwill) as well as to property, plant and equipment. In the case of investment values, the prior year's figures were adjusted in connection with the revised provision and use of services due to their improved and more appropriate presentation, according to which the investments of the central units/functions of the Bechtle Group are included in full in the IT system house & managed services and IT e-commerce segments.

In the segment reporting by region (domestic or foreign), revenue is allocated to the country in which the subsidiary concerned has its registered office. From the perspective of the given subsidiary, revenue is generated exclusively in its own country. Only revenue via parties external to the Group is reported. Accordingly, assets, liabilities and investment are allocated to the domestic market (Germany) or abroad on the basis of the location of the given company's registered office.

in th. euros	2009			2008		
	IT system house & managed services	IT e-commerce	Total Group	IT system house & managed services	IT e-commerce	Total Group
According to Segments						
Total segment revenues	920,958	459,472		928,216	504,010	
minus revenues with another	-1,002	-121		-686	-78	
External revenues	919,956	459,351	1,379,307	927,530	503,932	1,431,462
Amortisation / depreciation	10,236	4,028	14,264	9,402	4,508	13,910
Operating earnings	25,768	16,944	42,712	38,444	21,785	60,229
Financial result			950			1,304
Earnings before taxes			43,662			61,533
Income taxes			9,404			16,105
Earnings after taxes			34,258			45,428
Investments	11,279	3,266	14,545	10,205	3,867	14,072
Investments by changes to consolidated companies	0	0	0	7,509	0	7,509
Total segment assets	344,374	176,524		326,971	169,254	
minus receivables from another segment	-230	-3		-125	-32	
Assets	344,144	176,521	520,665	326,846	169,222	496,068
Total segment liabilities	119,126	66,811		122,559	62,217	
minus liabilities to another segment	-3	-230		-32	-125	
Liabilities	119,123	66,581	185,704	122,527	62,092	184,619

In the reporting period, the items with no impact on payments in the two segments were limited to standard movements occurring in the ordinary course of business (e.g. the usual changes in trade receivables and trade payables). In the prior year, the major items impacting payments also included in the IT e-commerce segment the impairment on the Artikona brand amounting to 600 thousand euros as well as the sale profit on the deconsolidation of TomTech amounting to 466 thousand euros in addition to the standard movements mentioned above.

in th. euros	2009			2008		
	Domestic market	Abroad	Total Group	Domestic market	Abroad	Total Group
According To Regions						
External sales	921,578	457,729	1,379,307	938,868	492,594	1,431,462
Investments	12,519	2,026	14,545	10,988	3,084	14,072
Investments by changes to consolidated companies	0	0	0	4,148	3,361	7,509
Assets	298,949	221,716	520,665	273,040	223,028	496,068
of which: non-current assets	92,423	56,644	149,067	88,392	60,748	149,140
Liabilities	112,145	73,559	185,704	103,296	81,323	184,619

Of external revenue generated abroad, 229,702 thousand euros is attributable to Switzerland (prior year: 250,870 thousand euros). The rest is split between the remaining countries Belgium, France, the United Kingdom, Ireland, Italy, Portugal, the Netherlands, Austria, Spain and Taiwan, which individually contribute less than five per cent to the external revenue generated by Bechtle Group.

The non-current assets reporting here encompass property, plant and equipment as well as intangibles (including goodwill). Of the non-current assets held abroad, 30,398 thousand euros is attributable to Switzerland (prior year: 33,492 thousand euros). The rest is split between the remaining countries Belgium, France, the United Kingdom, Ireland, Italy, Portugal, the Netherlands, Austria, Spain and Taiwan, which individually hold less than five per cent of the non-current assets of the Bechtle Group.

Both in the reporting period and the prior year, revenue in excess of ten per cent of Bechtle Group's total was not generated with any single customer (IFRS 8.34).

Information on the number of employees by segment and region is provided in section X. "Employees".

VIII. ACQUISITIONS

In the reporting period, there were no acquisitions or corporate mergers as defined under IFRS 3.

In the case of the acquisition of Netzwerk Beratung Informationssysteme Duisburg GmbH, Duisburg, (NBI) in the prior year, Bechtle committed itself contractually to the payment of contingent, subsequent purchase price increases. The amount of these subsequent purchase price payments continue to depends on the contribution margin generated in future (in 2010 and 2011) by the acquired company and can total a maximum of 500 thousand euros. The subsequent increase in purchase costs would then translate correspondingly into a higher level of goodwill.

In the case of the acquisition of SUPPORT EDV-Handelsgesellschaft mbH, Vienna, Austria, (support-EDV) (meanwhile renamed Bechtle GmbH) in the prior year, Bechtle committed itself contractually to the payment of contingent, subsequent purchase price increases. The amount of these subsequent purchase price payments depended on the earnings before tax generated in future by the acquired company and can total a maximum of 500 thousand euros. At the end of 2009, an amount of 500 thousand euros was recognised and paid out as a subsequent increase in purchase costs that translated correspondingly into a higher level of goodwill. There are no further subsequent purchase price payment commitments.

IX. DISCLOSURES ON THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Executive Board Members

Dr. Thomas Olemotz, Spokesman of the Executive Board.

Place of residence: Rabenau, Germany

Board member responsible for finance & controlling, corporate communication & investor relations, IT, logistics and service, human resources, quality management and legal affairs

- Chairman of the Board of Directors
of Bechtle Holding Schweiz AG, Rotkreuz, Switzerland (since 2 March 2009)
- Chairman of the Supervisory Board
of Bechtle direkt Holding AG, Neckarsulm, Germany
of Bechtle Systemhaus Holding AG, Neckarsulm, Germany
of Bechtle Managed Services AG, Neckarsulm, Germany (since 2 July 2009)
of PP 2000 Business Integration AG, Stuttgart, Germany
- Member of the Supervisory Board
of Bechtle Managed Services AG, Neckarsulm, Germany (until 1 July 2009)

Michael Guschlbauer

Place of residence: Ludwigsburg, Germany

Board member responsible for IT system house & managed services

- Member of the Supervisory Board
of Bechtle Systemhaus Holding AG, Neckarsulm, Germany (until 4 November 2009)
of PP 2000 Business Integration AG, Stuttgart, Germany

Jürgen Schäfer

Place of residence: Heilbronn, Germany

Board member responsible for IT e-commerce

- Member of the Supervisory Board
of Bechtle direkt Holding AG, Neckarsulm, Germany (until 4 November 2009)
of RIXIUS AG, Mannheim (since 28 April 2009)

Number of shares in Bechtle AG

	31.12.2009	31.12.2008
Dr. Thomas Olemotz	0	0
Michael Guschlbauer	0	0
Jürgen Schäfer	4.000	4.000

Remuneration of the Executive Board Members

Total remuneration granted for the activity of the Executive Board of Bechtle AG for the 2009 fiscal year amounted to 1,266 thousand euros. Fixed remuneration amounted to 768 thousand euros and variable remuneration amounted to 498 thousand euros.

On the basis of the Annual General Meeting resolution of 20 June 2006, individual disclosure of Executive Board remuneration is herewith waived.

Supervisory Board Members and their Remuneration

Total remuneration of the Supervisory Board in the reporting period amounted to 315 thousand euros. All other details relevant to the Supervisory Board that have to be provided by law are set out in summarised form in Appendix D to these Notes.

Details based on a recommendation made by the government commission on the German Corporate Governance Code are set out in the Corporate Governance Report, pages 37 ff.

X. OTHER INFORMATION

Operating leases

In the context of rental, leasehold and leasing agreements classed as operating leases as per IAS 17, the Group hires property, plant and equipment. The leasing instalments and/or rental payments resulting from this are reported directly as expense items in the income statement.

Bechtle has hired buildings, vehicles and IT products by way of operating leases that cannot be terminated during the basic rental term. The expenses incurred in connection with rental and leasing agreements include payments amounting to 23,610 thousand euros (prior year: 20,044 thousand euros).

The future minimum lease payments arising from the above-mentioned agreements amounted to 82,378 thousand euros with effect of 31 December 2009 (prior year: 85,859 thousand euros).

in th. euros	
Due within one year	20,087
Due between 1 and 5 years	34,626
Due after 5 years	27,665
Total minimum lease payments	82,378

This includes 37,929 thousand euros from the leasing agreement for the central logistics and administration building in Neckarsulm concluded in 2002 and the extension concluded in 2008/2009.

The owner of the building and lessor thereof is Fabiana Grundstücksverwaltungsgesellschaft mbH, Munich (Fabiana), in which Bechtle AG holds neither a direct nor indirect interest. After the leasing agreement expires in 2022, Bechtle AG has a purchase option on the building.

In return, Bechtle acts as lessor in connection with the operating leases it has concluded. For the main part, the agreements concerned related to the of IT products. As a rule, the leasing agreements are concluded for a term of between 3 and 4 years. The corresponding minimum lease payments from these agreements amount to 4,979 thousand euros for 2010 and 5,869 thousand euros for 2011 to 2013 and, as such, amount to a total of 10,848 thousand euros.

Contingent liabilities

Pursuant to IAS 37.86, the company is unaware of any legal dispute-related matters that would have a significantly negative impact on its income, liquidity or financial position or have had such impact over the past two years.

Contingent purchase price increases were reported amounting to 500 thousand euros as of 31 December 2009, as described in greater detail under section VIII. "Acquisitions".

Employees

Personnel expenses break down as follows:

in th. euros	2009	2008
Wages and salaries	187,028	185,961
Social security contributions and expenses for pension schemes and support	33,390	31,749
Total personnel expenses	220,418	217,710

The personnel expenses (salaries and wages) include redundancy payments totalling 1,612 thousand euros (prior year: 910 thousand euros) (IAS 19.142).

Overall, employee numbers in the Bechtle Group stood as follows with effect of the balance sheet date and as an annual average:

	31.12.2009	31.12.2008	2009	2008
Full-time staff	3,989	4,056	4,058	3,971
Apprentices	289	281	269	246
Employees on parental leave or military or national service	76	68	69	71
Assistants	113	107	105	113
Total	4,467	4,512	4,501	4,401

The average number of full-time employees listed above includes 70 (prior year: 64) directors and/or executive board members of subsidiaries.

The employee numbers (without auxiliary staff) break down by segment and region as follows:

	31.12.2009	31.12.2008	2009	2008
IT system house & managed services	3,443	3,450	3,460	3,309
Domestic	2,858	2,830	2,847	2,708
Abroad	585	620	613	601
IT e-commerce	911	955	936	979
Domestic	300	339	317	370
Abroad	611	616	619	609

The employee numbers (without employees on parental leave or military/civilian service and without auxiliary staff) break down by functional area as follows:

	31.12.2009	31.12.2008	2009	2008
Service	2,085	2,121	2,107	2,070
Distribution	1,263	1,353	1,296	1,330
Administration	930	863	924	817

Auditor's Fee

The following fees were recognised as expense in the 2009 fiscal year for services rendered by the auditor of the Consolidated Financial Statements, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft:

in th. euros	2009
Financial statements audits	487
Tax consulting services	12
Other services rendered for Bechtle AG or subsidiaries	47
Auditor's fee	546

The fees for audits include the fees for the Consolidated Financial Statements audit as well as for the audit of the Annual Financial Statements of Bechtle AG and its domestic subsidiaries.

Related Party Transactions

In accordance with IAS 24, details of persons or companies influenced by the reporting company or that can exercise influence on the company must be disclosed insofar as they are not already incorporated in the Consolidated Financial Statements as consolidated companies.

As a general rule, related parties relevant to the Bechtle Group include Executive Board and Supervisory Board members of Bechtle AG as well as their dependents.

In the period under review, no transactions were undertaken with members of the Executive Board, the Supervisory Board or with their dependants.

Exercising of Rights pursuant to Section 264 (3) or Section 264b of the German Commercial Code (HGB)

The following companies, which are affiliated consolidated companies of Bechtle AG and for which the Consolidated Financial Statements of Bechtle AG represent the exempting Consolidated Financial Statements make full use of their right of exemption pursuant to Section 264 (3) or Section 264b (German Commercial Code (HGB)):

- Bechtle GmbH, Aachen
- Bechtle GmbH, Berlin
- Bechtle GmbH & Co. KG, Bielefeld
- Bechtle GmbH & Co. KG, Bonn
- Bechtle GmbH & Co. KG, Chemnitz
- Bechtle GmbH & Co. KG, Darmstadt
- Netzwerk Beratung Informationssysteme Duisburg GmbH, Duisburg
- ITZ Informationstechnologie GmbH, Essen
- Bechtle GmbH, Freiburg
- Bechtle GmbH & Co. KG, Friedrichshafen
- Bechtle GmbH, Hamburg
- Bechtle GmbH & Co. KG, Hannover
- Bechtle GmbH & Co. KG, Karlsruhe
- Bechtle GmbH & Co. KG, Krefeld
- Bechtle IT-Systemhaus GmbH, Krefeld
- Bechtle GmbH & Co. KG, Mannheim
- Wrede Systemhaus GmbH, Meschede
- Bechtle GmbH & Co. KG, Münster
- Bechtle GmbH & Co. KG, Neckarsulm
- Bechtle direkt GmbH, Neckarsulm
- Bechtle direkt Holding AG, Neckarsulm
- Bechtle Field Services GmbH & Co. KG, Neckarsulm
- Bechtle Logistik & Service GmbH, Neckarsulm
- Bechtle Remote Services GmbH & Co. KG, Neckarsulm
- Bechtle Systemhaus Holding AG, Neckarsulm
- Bechtle ÖA direkt GmbH, Neckarsulm
- Bechtle GmbH & Co. KG, Oberhausen
- Bechtle GmbH & Co. KG, Ober-Mörlen
- Bechtle GmbH & Co. KG, Regensburg
- Bechtle GmbH & Co. KG, Rottenburg
- Bechtle GmbH, Schkeuditz
- CSB IT-Systemhaus, Schorndorf
- Bechtle GmbH, Solingen
- Bechtle GmbH, Stuttgart
- Bechtle GmbH, Würzburg

XI. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Swiss company Comsoft direct AG will be opening a new company in Belgium on 1 March 2010, thereby strengthening its international presence. The Bechtle Group's software management and software licensing specialist is now represented in five European countries.

Beyond that, no other events of material events occurred at Bechtle AG since the balance sheet date of 31 December 2009 that may have had an impact on the company's earnings, asset and financial position.

Neckarsulm, 4. March 2010

Bechtle AG

The Executive Board

SIGNIFICANT GROUP COMPANIES*

as of 31 December 2009 (Appendix A to Notes)

Germany

Company	Headquarters
Bechtle GmbH	Aachen
Bechtle GmbH	Berlin
Bechtle GmbH & Co. KG	Bielefeld
Bechtle GmbH & Co. KG	Bonn
Bechtle GmbH & Co. KG	Chemnitz
Bechtle GmbH & Co. KG	Darmstadt
ARP Datacon GmbH	Dietzenbach
PSB GmbH	Dreieich
Netzwerk Beratung Informationssysteme Duisburg GmbH	Duisburg
ITZ Informationstechnologie GmbH	Essen
Bechtle GmbH	Essen
Bechtle GmbH	Frankfurt
Bechtle GmbH	Freiburg
Bechtle GmbH & Co. KG	Friedrichshafen
Bechtle Finanz- & Marketingservices GmbH	Gaildorf
Bechtle GmbH	Hamburg
Bechtle GmbH	Hannover
Bechtle GmbH & Co. KG	Karlsruhe
Bechtle GmbH	Köln
Bechtle GmbH	Konstanz
Bechtle GmbH & Co. KG	Krefeld
Bechtle IT-Systemhaus GmbH	Krefeld
Bechtle GmbH	Langenzenn
Bechtle GmbH & Co. KG	Mannheim
Wrede Systemhaus GmbH	Meschede
Bechtle GmbH & Co. KG	Münster
Bechtle GmbH & Co. KG	Neckarsulm
Bechtle direkt GmbH	Neckarsulm
Bechtle Remote Services GmbH & Co. KG	Neckarsulm
Bechtle Logistik & Service GmbH	Neckarsulm
Bechtle direkt Holding AG	Neckarsulm
Bechtle Systemhaus Holding AG	Neckarsulm
Bechtle Softwarelösungen GmbH	Neckarsulm
Bechtle ÖA direkt GmbH	Neckarsulm
Bechtle Managed Services AG	Neckarsulm
Bechtle Onsite Services GmbH	Neckarsulm
Bechtle GmbH & Co. KG	Oberhausen
PSB IT-Service GmbH	Ober-Mörlen
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Mörlen
Bechtle GmbH	Offenburg
Bechtle GmbH & Co. KG	Regensburg
Bechtle GmbH & Co. KG	Rottenburg
Bechtle GmbH	Schkeuditz
CSB IT-Systemhaus GmbH	Schorndorf
Bechtle GmbH	Solingen
Bechtle GmbH	Stuttgart

* The shareholding of Bechtle AG (direct or indirect) is 100 per cent in all cases.
A list of all subsidiaries is published in the Electronic Federal Gazette (Elektronischer Bundesanzeiger).

Germany

Company	Headquarters
PP 2000 Business Integration AG	Stuttgart
Bechtle GmbH	Weimar
Bechtle GmbH	Würzburg

Worldwide

Company	Country	Headquarters
Bechtle direct NV	Belgium	Hamont-Achel
ARP SAS	France	Courtaboeuf
Bechtle direct SAS	France	Molsheim
Comsoft SOS Developers SAS	France	Sophia Antipolis
Bechtle direct Ltd.	Great Britain	Chippenham-Wiltshire
Bechtle Direct Limited	Ireland	Dublin
Bechtle direkt S.r.l.	Italy	Bozen
Bechtle direct B.V.	Netherlands	Eindhoven
Bechtle Holding B.V.	Netherlands	Eindhoven
Buyitdirect.com N.V.	Netherlands	Hoffdorp
Bechtle Management B.V.	Netherlands	Maastricht
ARP Nederland B.V.	Netherlands	Maastricht
ARP Supplies B.V.	Netherlands	Maastricht
Comsoft direct B.V.	Netherlands	Maastricht
Bechtle direkt GmbH	Austria	Linz
Madras Computer Vertriebsgesellschaft m.b.H.	Austria	Wien
Bechtle GmbH	Austria	Wien
ARP Datacon GmbH	Austria	Wiener Neudorf
Comsoft direct GmbH	Austria	Wiener Neudorf
Bechtle direct Portugal Unipessoal Lda	Portugal	Aveiro
Bechtle Bern AG	Switzerland	Bern
Coma Services AG	Switzerland	Bremgarten
Bechtle Dübendorf AG	Switzerland	Dübendorf
Gate Informatic AG	Switzerland	Ecublens
Bechtle direct AG	Switzerland	Gland
Comsoft direct AG	Switzerland	Hünenberg
Bechtle Regensdorf AG	Switzerland	Regensdorf
Bechtle Marketing AG	Switzerland	Regensdorf
Bechtle Printing Solutions AG	Switzerland	Regensdorf
ARP Datacon AG	Switzerland	Rotkreuz
Bechtle Management AG	Switzerland	Rotkreuz
Bechtle Holding Schweiz AG	Switzerland	Rotkreuz
Bechtle St. Gallen AG	Switzerland	St. Gallen
Bechtle S.L.	Spain	Madrid
ARP Datacon Ltd.	Taiwan R.O.C.	Taipei

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

from 1 January to 31 December 2009 (Appendix B to Notes)

in th. euros	Cost of purchase						31.12.2009
	01.01.2009	Change in scope of consoli- dation	Other additions	Differ- ences in currency	Disposals	Transfer/ Restructure	
I. Goodwill	105,823	0	500	72	0	0	106,395
II. Other intangible assets							
1. Brands	3,479	0	0	10	600	0	2,889
2. Customer base	27,336	0	0	37	1,103	0	26,270
3. Acquired software	12,824	0	1,224	10	247	0	13,811
4. Proprietary software	1,916	0	110	0	0	0	2,026
5. Customer service contracts	1,220	0	0	0	1,220	0	0
	46,775	0	1,334	57	3,170	0	44,996
III. Property, plant and equipment							
1. Property and buildings	6,478	0	3,951	0	0	1,521	11,950
2. Miscellaneous equipment and fixtures	43,975	0	8,760	16	3,417	32	49,366
3. Advance payments and construction in progress	1,553	0	0	0	0	-1,553	0
	52,006	0	12,711	16	3,417	0	61,316
	204,604	0	14,545	145	6,587	0	212,707

	Accumulated depreciation and amortisation					Carrying amount		
	01.01.2009	Other additions	Differences in currency	Disposals	Transfer-restructure	31.12.2009	31.12.2009	31.12.2008
	0	0	0	0	0	0	106,395	105,823
	600	0	0	600	0	0	2,889	2,879
	14,379	3,893	48	1,103	0	17,217	9,053	12,957
	9,454	1,721	17	228	0	10,964	2,847	3,370
	1,849	34	0	0	0	1,883	143	67
	934	284	2	1,220	0	0	0	286
	27,216	5,932	67	3,151	0	30,064	14,932	19,559
	692	208	0	0	0	900	11,050	5,786
	27,556	8,124	63	3,067	0	32,676	16,690	16,419
	0	0	0	0	0	0	0	1,553
	28,248	8,332	63	3,067	0	33,576	27,740	23,758
	55,464	14,264	130	6,218	0	63,640	149,067	149,140

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

from 1 January to 31 December 2008 (Appendix C to Notes)

in th. euros	Cost of purchase						31.12.2008
	01.01.2008	Change in scope of consoli- dation	Other additions	Differ- ences in currency	Disposals*	Transfer/ Restructure	
I. Goodwill	99,909	3,433	389	2,389	297	0	105,823
II. Other intangible assets							
1. Brands	3,187	0	0	292	0	0	3,479
2. Customer base	22,859	3,475	0	1,267	265	0	27,336
3. Acquired software	11,609	9	1,669	354	817	0	12,824
4. Proprietary software	1,916	0	0	0	0	0	1,916
5. Customer service contracts	1,038	140	0	42	0	0	1,220
	40,609	3,624	1,669	1,955	1,082	0	46,775
III. Property, plant and equipment							
1. Property and buildings	4,778	0	1,700	0	0	0	6,478
2. Miscellaneous equipment and fixtures	39,901	452	8,761	1,066	6,257	52	43,975
3. Plant and machinery	52	0	0	0	0	- 52	0
4. Advance payments and construction in progress	0	0	1,553	0	0	0	1,553
	44,731	452	12,014	1,066	6,257	0	52,006
	185,249	7,509	14,072	5,410	7,636	0	204,604

* Includes disposals from the sale of TomTech amounting to 775 thousand euros in acquisition costs and 314 thousand euros in accumulated depreciation and amortisation.

	Accumulated depreciation and amortisation					Carrying amount		
	01.01.2008	Other additions	Differences in currency	Disposals*	Transfer/Restructure	31.12.2008	31.12.2008	31.12.2007
	0	0	0	0	0	0	105,823	99,909
	0	600	0	0	0	600	2,879	3,187
	10,476	3,375	670	142	0	14,379	12,957	12,383
	8,540	1,520	188	794	0	9,454	3,370	3,069
	1,816	33	0	0	0	1,849	67	100
	563	349	22	0	0	934	286	475
	21,395	5,877	880	936	0	27,216	19,559	19,214
	576	116	0	0	0	692	5,786	4,202
	24,565	7,917	647	5,600	27	27,556	16,419	15,336
	27	0	0	0	-27	0	0	25
	0	0	0	0	0	0	1,553	0
	25,168	8,033	647	5,600	0	28,248	23,758	19,563
	46,563	13,910	1,527	6,536	0	55,464	149,140	138,686

SUPERVISORY BOARD MEMBERS

(Appendix D to the Notes)

Shareholder Representatives

Name	Member since	Profession	Membership in supervisory boards and other supervisory bodies pursuant to Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG)
Kurt Dobitsch	20 May 1999	Businessman	Chairman of the Supervisory Board – United Internet AG, Montabaur – Nemetschek AG, München Member of the Supervisory Board – 1 & 1 Internet AG, Karlsruhe – DOCUWARE AG, Germering – Graphisoft S.E., Budapest, Hungary Member of the Board of Directors – Hybris AG, Zürich, Switzerland
Dr. Walter Jaeger	17 June 2008	Businessman	Chairman of the Supervisory Board – Wirthwein AG, Creglingen – Würth Finance International B.V., Amsterdam, Netherlands Member of the Supervisory Board – Läpple AG, Heilbronn (until 10 June 2009) – Läpple Beteiligungs AG, Heilbronn (until 10 June 2009) – Kaufland Stiftung & Co. KG, Neckarsulm – Lidl Stiftung & Co. KG, Neckarsulm Chairman of the Advisory Board – Hohenloher Spezialmöbelwerk Schaffitzel GmbH & Co. KG, Öhringen – Mosolf GmbH & Co. KG, Kirchheim unter Teck – Vollert Anlagenbau GmbH & Co. KG, Weinsberg – Armaturenfabrik Franz Schneider GmbH + Co. KG, Nordheim (since 8 May 2009) – GEMÜ Gebr. Müller GmbH & Co. KG, Ingelfingen
Gerhard Schick Chairman of the Supervisory Board	22 March 2004	Businessman	Chairman of the Supervisory Board – Bechtle Managed Services AG, Neckarsulm (until 30 June 2009) Chairman of the Board of Directors – Bechtle Holding Schweiz AG, Rotkreuz, Switzerland (until 2 March 2009)
Karin Schick	9 August 2004	Clerk	
Klaus Winkler	20 May 1999	Director	Member of the Supervisory Board – IMS Gear GmbH, Donaueschingen Member of the Advisory Board – Dieffenbacher GmbH & Co., Eppingen – Joma-Polytec GmbH, Bodelshausen

Shareholder Representatives

Name	Member since	Profession	Membership in supervisory boards and other supervisory bodies pursuant to Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG)
Dr. Jochen Wolf 2nd Vice-Chairman of the Supervisory Board	2 October 2003	Director	Chairman of the Supervisory Board – Storsack Holding GmbH, Viernheim Member of the Supervisory Board – Behr GmbH & Co. KG, Stuttgart – IMS Gear GmbH, Donaueschingen – LTS Lohmann Therapie-Systeme AG, Andernach – R-Biopharm AG, Darmstadt Member of the Board of Directors – E.G.O. Blanc & Fischer-Firmengruppe, Oberderdingen Chairman of the Advisory Board – Joma-Polytec GmbH, Bodelshausen Member of the Advisory Board – Bardusch GmbH + Co. KG, Ettlingen – C. Hafner GmbH & Co. KG, Pforzheim – Vetter Pharma-Fertigung GmbH & Co. KG, Ravensburg (until 30 June 2009)

Employee Representatives

Name	Member since	Profession	Membership in supervisory boards and other supervisory bodies pursuant to Section 125 (1) sentence 3 of the German Stock Corporation Act (AktG)
Udo Bettenhausen	18 January 2007	Clerk	
Uli Drautz Vice-Chairman of the Supervisory Board	15 October 2003	Executive	Member of the Supervisory Board – Bechtle direkt Holding AG, Neckarsulm – Bechtle Systemhaus Holding AG, Neckarsulm – Bechtle Managed Services AG, Neckarsulm – PP 2000 Business Integration AG, Stuttgart
Daniela Eberle	15 October 2003	Clerk	
Jürgen Ergenzinger	17 June 2008	Union Secretary IG Metall, Administrative office Heilbronn-Neckarsulm	Vice-Chairman of the Supervisory Board – Läßle AG, Heilbronn (ab 15. Februar 2010)
Sonja Glaser-Reuss	17 June 2008	Clerk	
Barbara Greyer	15 October 2003	Union secretary ver.di, State district Baden-Württemberg	

AUDIT OPINION

We have issued the following opinion on the consolidated financial statements and the group management report:

“We have audited the consolidated financial statements prepared by the Bechtle AG, Neckarsulm, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash-flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB (“Handelsgesetzbuch”: “German Commercial Code”) are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.”

Heilbronn, 4 March 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Strähle	Hieronymus
German Public Auditor	German Public Auditor

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the Consolidated Financial Statements give a true and fair view of the earnings, asset and financial position of the Group, and the 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.

Neckarsulm, 15 March 2010

Bechtle AG

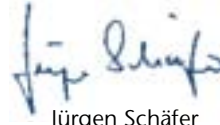
The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

FIVE-YEAR-COMPARISON BECHTLE GROUP

IFRS		2005	2006	2007	2008	2009	Change in % 2009–2008
Regions							
Revenue	th. euros	1,178,269	1,220,138	1,383,453	1,431,462	1,379,307	– 3.6
– Domestic	th. euros	784,168	815,876	902,367	938,868	921,578	– 1.8
of total revenue	%	66.6	66.9	65.2	65.6	66.8	
– Abroad	th. euros	394,100	404,262	481,086	492,594	457,729	– 7.1
Segments							
Revenue		1,178,269	1,220,138	1,383,453	1,431,462	1,379,307	– 3.6
– IT system house & managed services	th. euros	811,042	816,998	885,772	927,530	919,956	– 0.8
of total revenue	%	68.8	67.0	64.0	64.8	66.7	
– IT e-commerce	th. euros	367,227	403,140	497,681	503,932	459,351	– 8.8
EBIT	th. euros	41,195	45,730	58,253	60,229	42,712	– 29.1
– IT system house & managed services	th. euros	18,607	22,597	33,065	38,444	25,768	– 33.0
EBIT margin	%	2.3	2.8	3.7	4.1	2.8	
– IT e-commerce	th. euros	22,588	23,133	25,188	21,785	16,944	– 22.2
EBIT margin	%	6.2	5.7	5.1	4.3	3.7	
Income Statement							
Revenue	th. euros	1,178,269	1,220,138	1,383,453	1,431,462	1,379,307	– 3.6
Cost of sales	th. euros	1,020,414	1,046,557	1,188,121	1,213,331	1,179,770	– 2.8
Gross profit	th. euros	157,855	173,581	195,332	218,131	199,537	– 8.5
Distribution costs	th. euros	68,545	73,739	81,355	90,455	87,944	– 2.8
Administrative expenses	th. euros	55,546	62,732	67,236	75,709	76,171	0.6
Other operating income	th. euros	7,431	8,620	11,512	8,262	7,290	– 11.8
Operating earnings (EBIT)	th. euros	41,195	45,730	58,253	60,229	42,712	– 29.1
Financial income	th. euros	943	962	1,263	1,987	1,503	– 24.4
Financial expenditure	th. euros	966	833	510	683	553	– 19.0
Earnings before taxes (EBT)	th. euros	41,172	45,859	59,006	61,533	43,662	– 29.0
Income taxes	th. euros	11,886	16,251	18,047	16,105	9,404	– 41.6
Earnings after taxes (EAT)	th. euros	29,286	29,608	40,959	45,428	34,258	– 24.6
of which minority interests	th. euros	50	45	62	56	–	
of which shareholders of Bechtle AG	th. euros	29,236	29,563	40,897	45,372	34,258	– 24.5
Total operating performance							
	th. euros	1,189,173	1,230,244	1,392,286	1,442,045	1,388,770	– 3.7
Material costs	th. euros	898,663	918,996	1,051,860	1,079,543	1,043,059	– 3.4
Personnel expenses	th. euros	179,491	192,581	203,253	217,710	220,418	1.2
Depreciation and amortisation (on property, plant and equipment and other intangible assets without goodwill)	th. euros	11,926	14,456	13,501	13,910	14,264	2.5
Financial result	th. euros	– 23	129	753	1,304	950	– 27.1

IFRS		2005	2006	2007	2008	2009	Change in % 2009–2008
Balance Sheet (selected items)							
Assets							
Non-current assets	th. euros	140,305	143,005 ¹⁾	145,560	156,955	164,510	4.8
Goodwill	th. euros	89,519	97,663	99,909	105,823	106,395	0.5
Other intangible assets	th. euros	20,195	19,573	19,214	19,559	14,932	-23.7
Property, plant and equipment	th. euros	18,567	18,784	19,563	23,758	27,740	16.8
Deferred taxes	th. euros	7,432	4,919	4,461	4,696	9,874	110.3
Other assets	th. euros	1,946	1,868	1,946	2,564	2,253	-12.1
Capital investments and securities	th. euros	–	–	–	–	3,000	
Current assets	th. euros	273,641	275,174	305,863	339,113	356,155	5.0
Inventories	th. euros	41,829	39,006	46,817	52,118	59,322	13.8
Trade receivables	th. euros	164,291	181,086	189,312	188,402	183,979	-2.3
Other assets	th. euros	12,806	14,236	13,395	19,410	19,221	-1.0
Capital investments and securities	th. euros	3,736	2,642	1,929	338	15,510	4,488.8
Cash and cash equivalents	th. euros	48,178	36,710	52,300	77,300	76,467	-1.1
Equity and liabilities							
Equity	th. euros	237,447	249,214 ¹⁾	276,465	311,449	334,961	7.5
Issued capital	th. euros	21,200	21,200	21,200	21,200	21,000	-0.9
Capital reserve	th. euros	143,454	143,454	143,454	143,454	145,228	1.2
Retained earnings	th. euros	72,549	84,271	111,457	149,042	168,733	13.2
Non-current liabilities	th. euros	26,880	28,105 ¹⁾	23,765	30,964	32,284	4.3
Pension provisions	th. euros	559	5,384	5,775	8,859	8,631	-2.6
Financial liabilities	th. euros	14,772	9,050	3,709	5,185	6,604	27.4
Deferred taxes	th. euros	7,519	10,149	10,102	11,558	11,598	0.3
Deferral items	th. euros	2,510	2,667	3,769	4,153	4,820	16.1
Current liabilities	th. euros	149,619	143,439 ¹⁾	151,193	153,655	153,420	-0.2
Other provisions	th. euros	7,592	6,116	3,310	4,019	3,959	-1.5
Financial liabilities	th. euros	7,008	5,416	6,049	10,466	2,561	-75.5
Trade payables	th. euros	92,378	84,850	88,267	83,250	79,460	-4.6
Tax payables	th. euros	5,578	4,100	6,055	4,448	5,455	22.6
Other liabilities	th. euros	26,840	31,784	38,043	40,763	42,381	4.0
Deferral items	th. euros	10,223	11,173	9,469	10,709	19,604	83.1
Balance sheet total	th. euros	413,946	420,758 ¹⁾	451,423	496,068	520,665	5.0
Cash flow and investments							
Cash flow from operating activities	th. euros	28,123 ¹⁾	26,866	41,993	49,941	46,665	-6.6
Cash flow from investing activities	th. euros	-20,202	-19,343	-9,500	-18,074	-29,627	63.9
Cash flow from financing activities	th. euros	-21,217	-18,328	-16,145	-10,136	-17,772	75.3
Cash and cash equivalents incl. capital investments and securities	th. euros	51,914	39,352	54,229	77,638	94,977	22.3
Free Cashflow	th. euros	6,400	5,664	25,831	28,252	33,772	19.5
Investments (in property, plant and equipment and other intangible assets without goodwill)	th. euros	8,244	10,849	10,285	13,683	14,045	2.6
Investment ratio (= Investments / Average property, plant and equipment + other intangible assets without goodwill)	%	23.26	28.14	26.67	33.33	32.67	

¹⁾ Adjusted figure

IFRS		2005	2006	2007	2008	2009	Change in % 2009–2008
Key figures of the share ¹⁾							
Closing price	euros	16.40	19.25	27.42	13.66	18.79	37.6
Annual high	euros	21.88	22.20	35.59	27.86	20.50	– 26.4
Annual low	euros	15.80	14.05	19.45	9.64	11.02	14.3
Weighted average shares	in th. shares	21,200	21,200	21,200	21,165	20,853	– 1.5
Market capitalisation (31.12.)	euros	347,680	408,100	581,304	289,592	394,590	36.3
Average turnover/trading day ²⁾	shares	65,327	51,561	71,856	69,743	37,129	– 46.8
Average turnover/trading day ²⁾	euros	1,201,997	941,081	1,953,582	1,228,978	538,189	– 56.2
Cash dividend per share	euros	0.50	0.50	0.60	0.60	0.60 ³⁾	0.0
Dividend amount distributed	th. euros	10,600	10,600	12,720	12,445	12,600	1.2
Pay out ratio	%	36.3	35.9 ¹⁾	31.1	27.4	36.8	
Dividend yield (31.12.)	%	3.0	2.6	2.2	4.4	3.2	
Enterprise value (= Market capitalisation + financial liabilities + other liabilities + pension provisions – cash and cash equivalents)	th. euros	348,681	423,024	582,580	277,565	378,300	36.3
Earnings per share	euros	1.38	1.39	1.93 ⁴⁾	2.14	1.64	– 23.4
Cash flow per share	euros	1.33 ⁴⁾	1.27	1.98	2.36	2.22	– 5.7
Net asset value per share (= Equity / Weighted average shares)	euros	11.20	11.76	13.04	14.72	16.06	9.2
Market capitalisation to revenue		0.3	0.3	0.4	0.2	0.3	
Price earning ratio (P / E)		11.9	13.8	14.2	6.4	11.5	
Enterprise value / EBITDA		6.6	7.0	8.1	3.7	6.6	
Enterprise value / EBIT		8.5	9.3	10.0	4.6	8.9	
Enterprise value / EBT		8.5	9.2	9.9	4.5	8.7	
Enterprise value / EAT		11.9	14.3	14.2	6.1	11.0	
Enterprise value / Revenue		0.3	0.3	0.4	0.2	0.3	
Personnel							
Employees ⁵⁾ (31.12.)		3,908	3,888	4,250	4,405	4,354	– 1.2
– Domestic		2,850	2,772	3,036	3,169	3,158	– 0.3
– Abroad		1,058	1,116	1,214	1,236	1,196	– 3.2
– IT system house & managed services		3,239	3,077	3,303	3,450	3,443	– 0.2
– IT e-commerce		669	811	947	955	911	– 4.6
Trainees (31.12.)		216	222	257	281	289	2.8
Employees (Annual average)		3,616	3,868	4,103	4,288	4,396	2.5
Personnel expenses to gross profit	%		61.7	61.9	59.7	60.1	63.8

¹⁾ XETRA share prices

²⁾ All German stock exchanges

³⁾ Proposal to the Annual General Meeting

⁴⁾ Adjusted figure

⁵⁾ Without auxiliary staff

IFRS		2005	2006	2007	2008	2009	Change in % 2009–2008
Efficiency ratios							
Gross margin	%	13.4	14.2	14.1	15.2	14.5	
EBITDA margin	%	4.5	4.9	5.2	5.2	4.1	
EBIT margin	%	3.5	3.7	4.2	4.2	3.1	
EBT margin	%	3.5	3.8	4.3	4.3	3.2	
EAT margin	%	2.5	2.4	3.0	3.2	2.5	
Organic growth	%	0.1	-0.3	7.7	2.3	-4.1	
Revenue per employee (Revenue / Average full-time employees)	th. euros	349.5	338.5	363.6	360.5	339.9	-5.7
EBT per employee (= EBT / Average full-time employees)	th. euros	12.2	12.7	15.5	15.5	10.8	-30.6
Return on equity (EAT / Average annual equity)	%	13.8	12.9 ¹⁾	16.9	16.9	11.3	
Return on total assets (EAT / Average annual total assets)	%	8.3	8.0 ¹⁾	10.3 ¹⁾	10.7	7.4	
ROA (= EBIT / Average annual total assets)	%	11.6	12.0	14.5	13.9	9.1	
ROE (= EBIT / Average annual equity)	%	20.2	20.1	24.0	22.2	14.1	
ROCE (= EBIT / Capital Employed)	%	20.0	19.7	23.4	22.7	15.7	
Balance sheet ratios							
Capitalisation ratio of non-current assets (= non-current assets / total assets)	%	33.9	34.0	32.2	31.6	31.6	
Working intensity of current assets (= current assets / total assets)	%	66.1	65.4	67.8	68.4	68.4	
Equity ratio (= Equity / total assets)	%	57.4	59.2 ¹⁾	61.2	62.8	64.3	
Total liabilities to total assets	%	42.6	40.8	38.8	37.2	35.7	
Asset structure (= non-current / current assets)	%	51.3	52.0	47.6	46.3	46.2	
Capital structure (= equity / liabilities)	%	134.5	145.3	158.0	168.7	180.4	
Financial ratios							
Net debt (Financial liabilities – cash and cash equivalents – current capital investments and securities)	th. euros	-30,134	-24,886	-44,471	-61,987	-82,812	33.6
Total liabilities to total equity		0.74	0.69	0.63	0.59	0.55	-6.5
Working Capital (= Inventories + trade receivables – trade payables – accruals and deferrals)	th. euros	101,009 ¹⁾	121,427 ¹⁾	134,881 ¹⁾	142,490	139,465	-2.1
Working Capital to revenue	%	8.6	10.0	9.7	10.0	10.1	
Capital Employed (= equity + non-current liabilities - cash and cash equivalents + current liabilities)	th. euros	205,881	231,633	249,469	264,928	272,247	2.8
Capital Employed to revenue	%	17.5	19.0	18.0	18.5	19.7	
Structural analysis ratios							
Revenue to inventory		29.7	28.3	29.6	27.4	23.9	-12.8
Revenue to average net trade receivables		9.9	9.5	9.4	9.5	10.1	6.1
Revenue to total assets		3.3	3.2	3.4	3.3	2.9	-12.1
DSO		37.0	38.3	38.7	38.4	36.2	-5.7

¹ Adjusted figure

LIST OF ABBREVIATIONS

AktG	German Stock Corporation Act (Aktiengesetz)
BaFin	German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht)
BilMoG	Accounting Law Modernisation Act (Bilanzrechtsmodernisierungsgesetz)
bios®	Bechtle Information & Ordering System
BMK	Bechtle medium-sized business concept (Bechtle Mittelstandskonzept)
CC Day	Competence Center Day
CMS	Content Management System
DCGK	German Corporate Governance Code (Deutscher Corporate Governance Kodex)
DIHK	German Chambers of Industry and Commerce (Deutscher Industrie- und Handelskammertag)
DSO	Days Sales Outstanding
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortisation
EBT	Earnings before taxes
EIS	Executive Information System
EITO	European Information Technology Observatory
EPS	European pricing system
EPS	Earnings per share
ERP	Enterprise Resource Planning
ESC	European Sales Cockpit
GDP	Gross Domestic Product
HGB	German Commercial Code (Handelsgesetzbuch)
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
LAN	Local Area Network
R&D	Research and Development
ROCE	Return of Capital Employed
RoHS	EU directive 2002/95/EC on the restriction of the use of certain hazardous substances in electrical and electronic equipment
SaaS	Software as a Service
SLA	Service Level Agreement
VIPM	Vendor Integrated Product Manager
VorstAG	Act on the Appropriateness of Management Board Compensation (Gesetz zur Angemessenheit der Vorstandsvergütung)
WAN	Wide Area Network
WpHG	German Securities Trading Act (Wertpapierhandelsgesetz)

GLOSSARY

Capital employed

Annual average of interest-bearing capital tied up on a long-term basis.

Capital turnover

Ratio of revenue to the average annual total capital (balance sheet total).

Cash pooling

Corporate liquidity management in the scope of which surplus liquidity is withdrawn from group companies or liquidity is provided in the form of loans in case of liquidity bottlenecks.

Compliance

Compliance with laws and regulations as well as voluntary codes.

Contribution margin

Difference between revenue and material costs.

Currency future

Obligation to buy or sell foreign currencies at a date and price determined in advance.

Days sales outstanding (DSO)

DSO indicates the average number of days until due receivables are paid.

Debt coefficient (ratio)

Ratio of borrowed capital to equity.

Deferred taxes

Temporary differences between calculated taxes on earnings presented in the commercial balance sheet and tax balance sheet for the purpose presenting the tax due according to the earnings under commercial law.

Derivative (derivative financial instrument, financial derivative)

Financial instrument whose measurement depends on the price development of the underlying. For example, financial derivatives include currency futures and → interest rate swaps.

Directors' dealings

Transactions by Executive Board and Supervisory Board members of quoted joint stock companies and related persons or companies with securities of their own company.

Discounted cash flow method

Model calculation, in particular for the measurement of an enterprise, in which all future → free cash flows are discounted and added up taking into account variable parameters such as the term and capital cost rate at the time of the calculation.

Due diligence

Due diligence refers to the systematic audit of a company's financial, legal, and economic situation.

D & O insurance

Pecuniary damage liability insurance that a company concludes for its Executive Board and Supervisory Board. The D&O insurance hedges unintentional violations of the obligation to exercise due care.

Economy of scale

Efficiency benefits that are reflected in lower costs when the operational scale increases.

Equity ratio

Ratio of equity to total capital. The higher the equity ratio, the lower the → debt ratio of the company.

Firewall

Security device in computer technology consisting of software and hardware. Provides protection from unauthorised access, for example from the Internet, and secures data traffic.

Free cash flow

Cash flow from operating activities less the balances from outflow and inflow related to the acquisition or sale of companies, as well as inflow and outflow related to investments in intangible assets and property, plant and equipment.

Fulfilment

All activities related to the performance of a contract concluded with a customer. The services range from the acceptance of the order, picking or the shipping of the goods.

Gross profit

→ Contribution margin

Guarantee credit

Guarantee that a credit institution assumes on behalf of its client vis-à-vis a third party.

Impairment test

Test to measure fixed assets.

Interest rate swap

Agreement between two contracting parties to swap different interest payment streams. Interest rate swaps are financial derivatives and are generally used to hedge interest rate risks (→ derivative).

Inventory management

Ratio of inventories to revenues.

Investment grade

Credit rating by a rating agency. Credit ratings can be roughly split into two categories: "investment grade" (= sufficiently safe) and "non investment grade" (= speculative).

Investment ratio

Ratio of investments in other intangible assets and property, plant and equipment to the average annual carrying amount of other intangible assets and of property, plant and equipment.

Leverage

Describes the leveraging effect whereby the → return on equity is to be increased through increased use of borrowed capital.

Market cap

Market value of a company. The market cap is calculated by multiplying the share price with the number of a company's issued shares.

Return on equity

Ratio of earnings after taxes to the average annual equity as reported in the balance sheet. The return on equity shows how much interest the shareholders' equity as reported in the balance sheet bears.

Return on sales

Ratio of earnings after taxes to revenue.

Return on total assets

Ratio of earnings after taxes and before financial expenses to the average total capital employed.

ROCE (return on capital employed)

Ratio of earnings before financial earnings and taxes to the → capital employed. The ROCE shows the operating return on the company's capital employed or tied up on a long-term basis.

Service level agreement

Agreement under which guaranteed service properties such as the reaction time, scope and speed of processing are defined in several stages.

Software licensing and management

Processes that secure the administration as well as the legal and efficient handling of software used in the company.

Treasury

An area that is concerned with the use and investment of financial resources. This area is also responsible for hedging financial risks, which can go far beyond the hedging of interest rate risks or exchange rate risks.

Virtualisation

Abstraction of physical resources. The individual systems are provided with a complete virtual computer with all hardware components. Software virtualisation can be used to simulate an operating system or an application. This makes it possible to execute applications locally without installing them.

Working capital

Inventories plus trade receivables less trade payables and down payments received.

FINANCIAL CALENDAR

Accounts Press Conference

Friday, 19 March 2010, Stuttgart

DVFA Analysts' Conference

Friday, 19 March 2010, Frankfurt am Main

Interim Report 1st Quarter 2010 (1 January to 31 March)

Wednesday, 12 May 2010

Conference call with analysts, investors and media

Annual General Meeting

Wednesday, 16 June 2010, 10.00 a.m

Harmonie Concert and Congress Centre, Heilbronn

Dividend Payment for the Fiscal year 2009

as of 17 June 2010

(subject to approval by the Annual General Meeting)

Interim Report 2nd Quarter 2010 (1 April to 30 June)

Thursday, 12 August 2010

Conference call with analysts, investors and media

Interim Report 3rd Quarter 2010 (1 July to 30 September)

Friday, 12 November 2010

Conference call with analysts, investors and media

IMPRINT

Contact

Bechtle AG
Bechtle Platz 1
74172 Neckarsulm

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

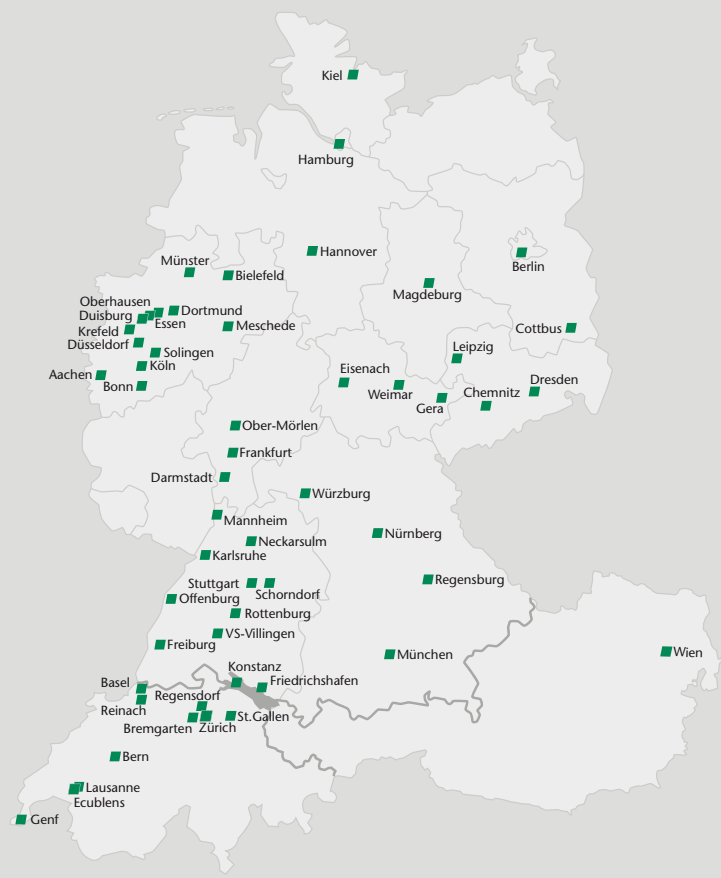
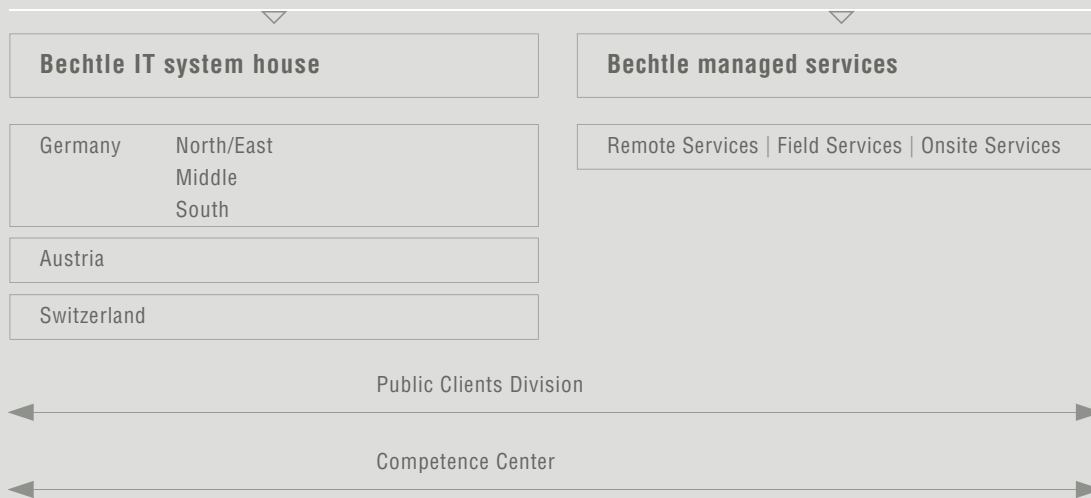
This Annual Report is available in German and English. Both versions can be downloaded at www.bechtler.com. An online version is also available on the website. On request, we would be pleased to send you further copies of the printed german version free of charge.

The Annual Report 2009 was published on 19 March 2010.

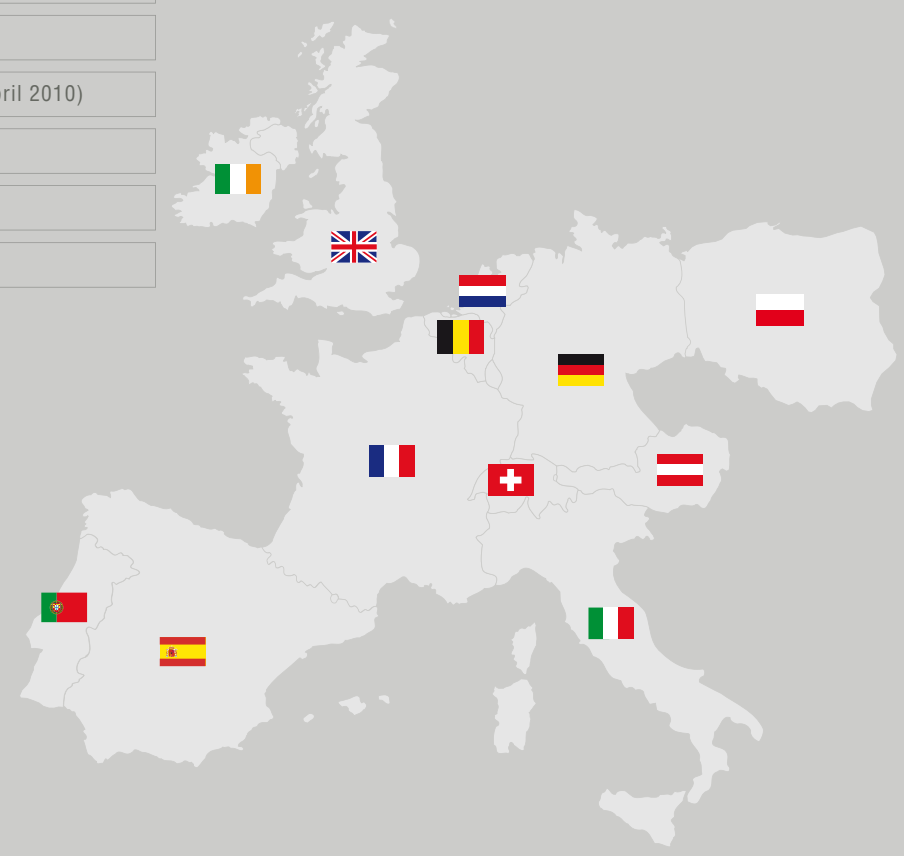
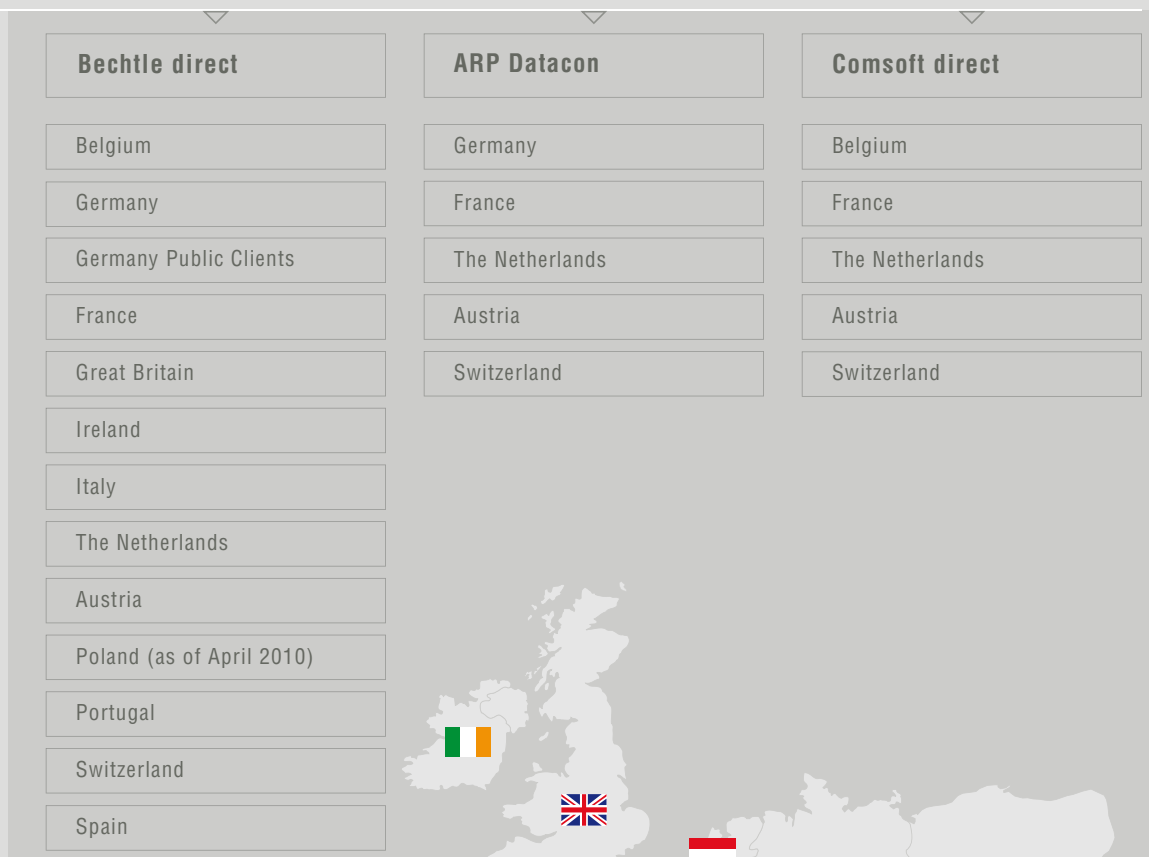
Bechtle AG

Central services Academy, Controlling, Finance, Information Technology, Investor Relations, Personnel, Quality Management, Legal, Corporate Communications

IT system house & managed services



IT e-commerce



Logistics & Service Address Management, Direct Marketing, Purchasing, Catalogue Production, Warehouse, Product Management, Event Management



Bechtle AG
Bechtle Platz 1
74172 Neckarsulm

Phone +49(0)7132 981-0
Fax +49(0)7132 981-8000
ir@bechtle.com
www.bechtle.com
