

Interim Report as of 30 September 2013

3RD QUARTER 2013

Your strong IT partner.
Today and tomorrow.



KEY FIGURES OF THE BECHTLE GROUP AT A GLANCE

		01.01– 30.09.2013	01.01– 30.09.2012	Change in %
Revenue	€k	1,591,272	1,484,551	7.2
IT system house & managed services	€k	1,069,747	979,120	9.3
IT e-commerce	€k	521,525	505,431	3.2
EBITDA	€k	71,472	67,279³	6.2
IT system house & managed services	€k	45,585	40,862 ³	11.6
IT e-commerce	€k	25,887	26,417 ³	-2.0
EBIT	€k	54,639	51,209³	6.7
IT system house & managed services	€k	32,081	27,590 ³	16.3
IT e-commerce	€k	22,558	23,619 ³	-4.5
EBIT margin	%	3.4	3.4³	
IT system house & managed services	%	3.0	2.8	
IT e-commerce	%	4.3	4.7	
EBT	€k	53,427	50,401³	6.0
EBT margin	%	3.4	3.4	
Earnings after taxes	€k	38,085	36,184³	5.3
Earnings per share	€	1.81	1.72³	5.3
Working capital	€k	231,549	208,515	11.0
Return on equity¹	%	11.5	11.9³	
Cash flow from operating activities	€k	17,831	11,059	61.2
Cash flow per share	€	0.85	0.53	61.2
Number of employees (as of 30.09)		6,150	5,978	2.9
IT system house & managed services		4,895	4,747	3.1
IT e-commerce		1,255	1,231	1.9
		30.09.2013	31.12.2012	Change in %
Cash and cash equivalents²	€k	119,859	146,155	-18.0
Equity ratio	%	57.8	54.4³	

¹ Annualised

² Incl. time deposits and securities

³ Adjusted figure

REVIEW BY QUARTER 2013

		1st quarter 01.01–31.03	2nd quarter 01.04–30.06	3rd quarter 01.07–30.09	4th quarter 01.10–31.12	2013 FY 01.01–30.09
Revenue	€k	513,950	518,517	558,805		1,591,272
EBITDA	€k	19,995	20,769	30,708		71,472
EBIT	€k	14,493	14,973	25,173		54,639
EBT	€k	14,086	14,592	24,749		53,427
EBT margin	%	2.7	2.8	4.4		3.4
Earnings after taxes	€k	10,075	10,401	17,609		38,085

CONSOLIDATED INTERIM MANAGEMENT REPORT

BUSINESS ACTIVITY

As a one-stop IT provider, BECHTLE is active with more than 65 system houses in Germany, Austria and Switzerland, and is one of Europe's leading dealers for information technology, with subsidiaries in 14 countries. This combination forms the basis of BECHTLE'S unique business model, which combines IT services with direct marketing of IT products. Established in 1983 and headquartered in Neckarsulm, Germany, the company offers a one-stop, vendor-independent, comprehensive IT portfolio to its more than 75,000 customers from the fields of industry and trade, the public sector and the financial industry.



See
Annual Report 2012,
page 43 ff

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



www.bechtle.com/portfolio-en

BUSINESS ENVIRONMENT

- GDP in EU shows positive trend
- Mood indicators in IT industry on the rise

Macroeconomy

In the third quarter, the economy in the EU continued to recover at a moderate pace, but is still at a generally low level. The European Commission estimates the increase of the gross domestic product (GDP) in the third quarter at 0.3 per cent, after 0.3 per cent and minus 0.1 per cent in the first and second quarters, respectively. Among the EU countries in which BECHTLE is present, the performance still varies, ranging from minus 0.1 per cent in Italy to plus 0.7 per cent in the United Kingdom and Hungary.



ec.europa.eu

GDP GROWTH COMPARED TO PRIOR QUARTER

%



According to the European Commission, the dynamics of the economic growth in Germany again declined in the third quarter. Following noticeable growth of 0.7 per cent in the second quarter, GDP has grown 0.3 per cent in the third quarter.


www.ifo.de

In the course of the third quarter, the mood indicators of the German economy improved continually. Starting from 105.9 in June, the ifo index climbed to 107.7 in September. The development was similarly positive in the two sub-areas "current situation" and "expectations for the coming six months". However, the evaluation of the current situation again moved slightly downwards in September, while the expectations were only able to commence with their upward trend in August, after a minor setback in July.

Industry

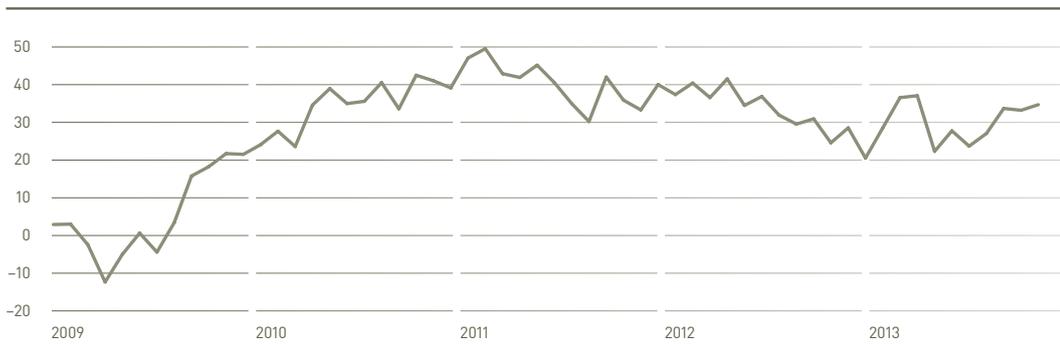

www.gulp.de

As was already the case during the entire year, the evaluation of the situation for the IT industry was heterogeneous in the third quarter of 2013 as well. In the reporting period, the GULP IT project market index, which registers projects for freelance IT specialists in Germany, underwent a year-on-year increase of almost 7 per cent. The situation on the PC market in Europe is quite different. According to figures of the market research institute Gartner for the PC market in EMEA (Europe, Middle East and Africa), PC sales in the third quarter of 2013 underwent a year-on-year decline of 13.7 per cent. All regions are said to be affected to a similar degree. This corresponds to the figures of the market researcher IDC, according to which PC sales in Western Europe were 13.2 per cent lower than in the prior year. Both institutes point to the ongoing trend towards tablets as a reason for the decline. However, IDC implies that the business segment has detached itself from this development. For the first time in several years, the sales in this area again grew slightly from July to September. According to IDC, this was caused by the migration wave due to the upcoming end of support of Windows XP, which is also expected to invigorate the market in the coming months.

In the third quarter, the product prices generally managed to keep their level. Still, there were significant differences between individual categories. While prices for servers and printers were able to move upwards, the pressure was especially high among tablets and in the software segment.

The mood on the IT market picked up considerably in the third quarter. Thus, the ifo index for IT service providers climbed from 23.9 in June to 33.5 in September. However, the level of 34 in August could not be fully maintained until the end of the quarter. While the evaluation of the current business situation had already been rather positive in the second quarter and subsequently increased only slightly from 31 in June to 34 in September, the expectations for the future experienced a veritable upturn. This value shot up from 17 in June to 36 in August, but then receded slightly to 33 as of the end of the quarter.

IFO INDEX FOR IT SERVICE PROVIDERS



Overall Assessment

The economic development brightened slightly in the third quarter. The downward trend in the EU appears to have come to a stop, though the dynamics of the recovery are still rather restrained. The German economy, which had usually outperformed the EU average in the last quarters, was somewhat slower, reaching the EU growth level of 0.3 per cent. The mood in the IT industry is much more positive. The current situation and particularly the outlook for the coming months are evaluated much more positively than in the second quarter.

Given these general conditions, BECHTLE AG has performed extremely well. Our home market Germany remains the growth driver, whose dynamics had already been very strong in the first half of the year and which accelerated even more in the third quarter. Despite the positive development in some areas, the situation abroad and in the domestic e-commerce business was unable to keep up with this growth rate. In some countries of the EU, the economic performance is still very slow, if not recessive. Uncertainties with regard to the further development still affect the mood and lead to a certain reluctance to invest, which of course also impacts the business of BECHTLE AG.

As BECHTLE AG does not publish any forecasts during the year, it is not possible to compare the actual figures with target figures. However, as far as the year as a whole is concerned, we have drawn much closer to our forecast of surpassing the prior year both in terms of the revenue and in terms of the earnings. While the results in the two prior quarters were still below the corresponding prior-year periods, we were able to outperform both the prior-year quarter and the nine-month period 2012 in the third quarter, so that our actual figures as of 30 September 2013 largely concur with our reported goals for 2013 as a whole.

EARNINGS POSITION

- Revenue and earnings significantly higher than in prior year
- System house segment remains growth and earnings driver

Order Position

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

Due to the current business structure, incoming orders are largely reflected in the revenue during a reporting period. In the first nine months of 2013, incoming orders amounted to approximately €1,623 million, more than 8 per cent more than in the prior year (€1,494 million). The IT system house & managed services segment underwent an increase of about 11 per cent to €1,101 million (prior year: €992 million). At approximately €522 million, the incoming orders in the IT e-commerce segment were about 4 per cent higher than in the prior year (€502 million).

As of 30 September 2013, the order backlog rose to €331 million, an increase of about 14 per cent compared to the prior-year reporting date (€290 million). Of this amount, the IT system house & managed services segment accounted for €324 million (prior year: €287 million), and the IT e-commerce segment for €7 million (prior year: €3 million).

Revenue Performance

In the third quarter, the dynamics of the revenue growth picked up considerably compared to the first half of 2013. Throughout the BECHTLE Group, the revenue increased 11.4 per cent from €501.6 million to €558.8 million. As in the two prior quarters, our domestic system house business was the growth driver. Cumulatively, the revenue amounted to €1,591.3 million, an increase of 7.2 per cent (prior year: €: 1,484.6 million).

GROUP REVENUE

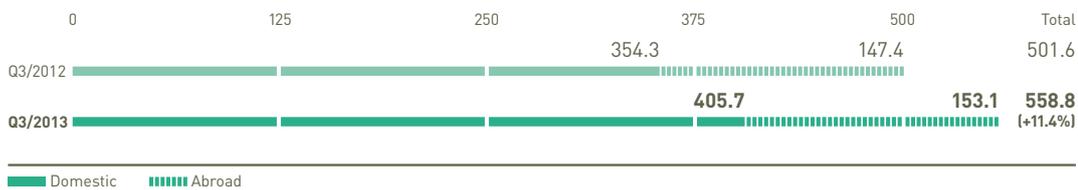
€m



Owing to the noticeable upturn in our customers' demand in Germany, we generated domestic revenues of €405.7 million in the reporting quarter, an increase of 14.5 per cent (prior year: €354.3 million). The performance on our foreign markets was somewhat weaker. There, revenues increased 3.9 per cent from €147.4 million to €153.1 million.

REGIONAL REVENUE DISTRIBUTION

€m



In the third quarter, the IT system house & managed services segment made an above-average contribution to the growth. At €385.0 million, revenues were 14.6 per cent higher than in the corresponding prior-year quarter (€336.0 million). The domestic system houses served as the growth driver, stepping up their contribution to the group revenue by 16.7 per cent to €348.2 million (prior year: €298.4 million). The revenues of the system houses abroad declined slightly from €37.5 million to €36.9 million. Had the Swiss franc not undergone any exchange rate changes, the revenues would have been more or less at the prior-year level.

REVENUE BY SEGMENTS

€m



In the reporting period, the revenue in the IT e-commerce segment increased 4.9 per cent from €165.6 million to €173.8 million. Domestic revenues climbed 3.1 per cent from €55.8 million to €57.5 million. The European e-commerce companies reported growth of 5.8 per cent to €116.2 million (prior year: €109.8 million).

REVENUE – GROUP AND SEGMENTS

	Q3/2013	Q3/2012	Change	9M/2013	9M/2012	Change
Group	558,805	501,626	+11.4%	1,591,272	1,484,551	+7.2%
Domestic	405,704	354,255	+14.5%	1,104,191	1,009,220	+9.4%
Abroad	153,101	147,371	+3.9%	487,081	475,331	+2.5%
IT system house & managed services	385,049	335,981	+14.6%	1,069,747	979,120	+9.3%
Domestic	348,176	298,439	+16.7%	947,212	852,727	+11.1%
Abroad	36,873	37,542	-1.8%	122,535	126,393	-3.1%
IT e-commerce	173,756	165,645	+4.9%	521,525	505,431	+3.2%
Domestic	57,528	55,816	+3.1%	156,979	156,493	+0.3%
Abroad	116,228	109,829	+5.8%	364,546	348,938	+4.5%

Based on an average of 5,558 full-time and part-time employees, the revenue per employee in the group amounted to €101 thousand in the third quarter of 2013, compared to €93 thousand for 5,408 full-time employees in the prior-year quarter. The development in the IT system house & managed services segment was similarly positive. Here, the revenue per employee amounted to €87 thousand, based on an average of 4,424 full-time employees (prior year: €78 thousand, based on an average of 4,288 full-time employees). The productivity in the IT e-commerce segment also improved. The revenue per employee generated in this segment in the reporting quarter averaged €153 thousand, based on an average of 1,134 full-time employees (prior year: €148 thousand, based on an average of 1,120 full-time employees).

Earnings Performance



Some of the prior-year figures have been adjusted pursuant to IAS 19R. For details see Notes, page 32 ff

In the reporting quarter, the cost of sales went up 11.2 per cent, a rate slightly lower than that of the revenue. Within the cost of sales, the proportion of material costs increased, while personnel expenses developed at a slower rate. Thus, the gross margin reached an even higher level, progressing from 15.0 per cent to 15.2 per cent. The gross profit amounted to €85.1 million, 12.7 per cent more than in the prior year (€75.5 million). In terms of the first nine months of 2013, the gross margin declined from 15.2 per cent to 14.9 per cent. Gross profit climbed 5.5 per cent from €225 million to €237.3 million.

GROSS MARGIN



In the third quarter, our functional expenses increased at a below-average rate. As distribution costs and marketing expenses increased 6.2 per cent to €36.6 million, the ratio receded from 6.9 per cent to 6.6 per cent. In the reporting quarter, administrative expenses grew a mere 3.7 per cent to €26.2 million (prior year: €25.2 million). Thus, their share in the revenue declined from 5.0 per cent to 4.7 per cent. From January to September, the distribution cost ratio went down slightly from 7.1 per cent to 7.0 per cent, and the administrative expense ratio dropped from 5.1 per cent to 5.0 per cent.

Year on year, earnings before interest, taxes, depreciation and amortisation (EBITDA) increased 28.5 per cent from €23.9 million to €30.7 million. Our EBITDA margin was 5.5 per cent, compared to 4.8 per cent in the prior year. In the nine-month period, the margin was 4.5 per cent, exactly as in the prior year.

In the reporting quarter, depreciation and amortisation increased at a disproportionately low rate of 4.5 per cent to €5.5 million (prior year: €5.3 million). Depreciation of property, plant and equipment accounted for the largest share of €4.4 million. Due to the building activity in the prior year, these underwent an above-average increase of 9.7 per cent.

Thus, earnings before interest and taxes (EBIT) improved 35.3 per cent to €25.2 million (prior year: €18.6 million). The margin went up from 3.7 per cent to 4.5 per cent. Cumulatively, the margin amounted to 3.4 per cent in the nine-month period, as in the prior year.

Due to the slightly recessive financial earnings compared to the prior year, the group generated earnings before taxes (EBT) amounting to €24.7 million in the period from July to September, 35.0 per cent more than in the prior year (€18.3 million). The EBT margin went up from 3.7 per cent to 4.4 per cent. From January to September, the margin amounted to 3.4 per cent, a level that corresponds to that of the prior year.

EBT AND EBT MARGIN

€m and %



In the reporting quarter, tax expenses increased 38.3 per cent to €7.1 million (prior year: €5.2 million), especially due to the higher domestic earnings share. The tax rate rose from 28.2 per cent in the prior year to 28.8 per cent in the period under review.

Earnings after taxes went up 33.7 per cent from €13.2 million to €17.6 million. Accordingly, the net margin climbed from 2.6 per cent to 3.2 per cent. On the basis of 21.0 million shares, earnings per share (EPS) amounted to €0.83, a figure significantly above the prior-year level (€0.62). In the period from January to September, EPS amounted to €1.81, 5.3 per cent more than in the prior year (€1.72).



At segment level, the earnings situation was as follows:

In the third quarter of 2013, EBIT in the IT system house & managed services segment increased 65.5 per cent to €17.0 million (prior year: €10.3 million). The EBIT margin was 4.4 per cent, compared to 3.1 per cent in the prior year. This excellent performance is mainly attributable to the improved staff capacity utilisation and the much slower increase in personnel expenses.

In the quarter, the IT e-commerce segment generated EBIT of €8.2 million, a decline of 2.1 per cent compared to the prior year (€8.3 million). At 4.7 per cent, the margin remained at a very high level (prior year: 5.0 per cent).

EBIT – GROUP AND SEGMENTS €k						
	Q3/2013	Q3/2012	Change	9M/2013	9M/2012	Change
Group	25,173	18,608	+35.3%	54,639	51,209	+6.7%
IT system house & managed services	17,023	10,287	+65.5%	32,081	27,590	+16.3%
IT e-commerce	8,150	8,321	-2.1%	22,558	23,619	-4.5%

ASSETS AND FINANCIAL POSITION

- Sufficient liquidity to finance further growth
- Return on equity over 11 per cent
- Free cash flow affected by investing activities



Some of the prior-year figures have been adjusted pursuant to IAS 19R. See Notes, page 32 f

As of 30 September 2013, the balance sheet total of the BECHTLE Group amounted to €821.7 million, €23.5 million less than as of 31 December 2012 (€845.1 million), an effect caused by seasonal reasons.

Development of the Assets

Non-current assets went up from €297.3 million to €302.7 million. Time deposits and securities experienced the greatest change, increasing €5.2 million to €37.2 million. This was due to the reinvestment of short-term investments that had reached maturity for the purpose of optimising the return. In the first nine months of 2013, property, plant and equipment also went up from €94.5 million to €98.2 million. This increase is attributable to the construction activities at the BECHTLE AG headquarters, which have been finished in the meantime, and the new building in Freiburg. Accordingly, our capitalisation ratio has also gone up to 36.8 per cent (31 December 2012: 35.2 per cent).

In contrast, current assets have fallen €28.9 million to €519.0 million since the beginning of the fiscal year. This item was affected especially by the reduction of trade receivables by €20.3 million, from €307.3 million to €287.1 million due to seasonal reasons. Moreover, time deposits and securities declined due to the said long-term reinvestment. These items amounted to €23.5 million, compared to €35.9 million as of 31 December 2012. As a result of the dividend payment, cash and cash equivalents underwent a significant decline compared to 31 December 2012, from €78.2 million to €59.2 million. As of the balance sheet date, the total liquidity – the value of the cash and cash equivalents including short-term and long-term time deposits and securities – nevertheless reached a very comfortable level of €119.9 million (31 December 2012: €146.2 million). In this context, the performance in the course of the year was in line with the prior years. In addition to the total liquidity, BECHTLE has a liquidity reserve of €28.8 million in the form of unused cash and guarantee credit lines.

LIQUIDITY (INCLUDING TIME DEPOSITS AND SECURITIES)

€m



Development of the Equity and Liabilities

As of 30 September 2013, non-current liabilities amounted to €95.4 million, only slightly less than on 31 December 2012 (€97.8 million). Though pension provisions increased €1.3 million to €10.6 million due to the takeover of approximately 60 managed services employees from IBM, non-current financial liabilities dropped €5.7 million from €61.1 million to €55.5 million in the same period.

Current liabilities fell €36.7 million to €251.1 million (31 December 2012: €287.8 million). For seasonal reasons, trade payables dropped €15.8 million from €146.0 million to €130.1 million. For reasons related to the reporting date, other liabilities dropped from €75.0 million to €55.8 million. This was caused by the decrease of €6.5 million in personnel liabilities due to commission and bonuses paid in the first half of the year and a decrease of €11.3 million in VAT liabilities. Financial liabilities increased €4.9 million to €17.4 million.

Thanks to the substantially improved earnings position, the equity went up from €459.6 million to €475.2 million as of 30 September 2013. Thus, our equity ratio improved significantly compared to 31 December 2012, reaching a figure of 57.8 per cent (31 December 2012: 54.4 per cent). Based on the current earnings and the equity development, the extrapolated return on equity reached a value of 11.5 per cent, almost the same as in the prior year (11.9 per cent).

EQUITY

€m



RETURN ON EQUITY

%

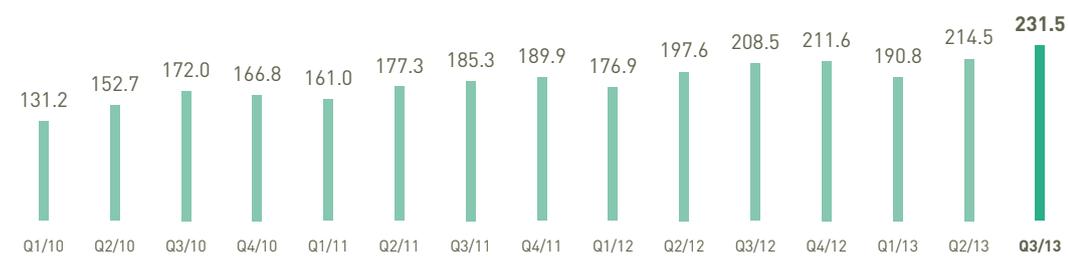


Due to the significant rise in equity and the only slight increase in non-current assets, the equity to non-current assets ratio climbed to 157.0 per cent as of 30 September 2013, compared to 154.6 per cent as of 31 December 2012. The group's net debt remains negative, i.e. BECHTLE is free of debt. As a result of the dividend payment in June 2013, the value shrunk from minus €72.4 million as of 31 December 2012 to minus €47.0 million. We were able to further reduce the dependence on external creditors. As of 30 September 2013, BECHTLE'S debt ratio was 0.73, significantly lower than as of the end of the fiscal year 2012 (0.84).

In the nine-month period, the working capital increased from €211.6 million to €231.5 million, especially due to the project-related increase in inventories and the lower trade payables. In relation to the balance sheet total, the working capital amounted to 28.2 per cent as of 30 September 2013, compared to 25.0 per cent as of 31 December 2012. Our average DSO (days sales outstanding) increased from 37.3 days as of 31 December 2012 to 38.0 days in the first nine months of 2013. However, an improvement can be seen in the course of the year: The value had still been as high as 38.9 as of 31 March 2013 and 38.6 as of 30 June.

WORKING CAPITAL

€m



KEY BALANCE SHEET FIGURES OF THE BECHTLE GROUP

		30.09.2013	31.12.2012
Balance sheet total	€m	821.7	845.1
Cash and cash equivalents including time deposits and securities	€m	119.9	146.2
Equity	€m	475.2	459.6
Equity ratio	%	57.8	54.4
Equity to non-current assets ratio	%	157.0	154.6
Net debt	€m	-47.0	-72.4
Debt ratio		0.73	0.84
Working capital	€m	231.5	211.6

Development of the Cash Flow

Compared to the prior year, the net cash generated from ongoing business activities in the period from January to September 2013 rose by €6.8 million to €17.8 million. Apart from an increase of €3.0 million in the earnings before taxes, changes in net assets resulted in a cumulatively lower cash outflow than in the corresponding prior-year period. This was caused especially by lower payments for the reduction of trade payables and a lower decline of accruals and deferrals. On the other hand, the increase in inventories resulted in a higher cash outflow than in the prior year. Moreover, the cash inflows from trade receivables were lower than in the prior year.

CASH FLOW FROM OPERATING ACTIVITIES

€m



Year on year, the net cash used for investments in the first nine months of 2013 dropped from €46.6 million to €12.3 million. This was due to changes in the purchase of time deposits and securities, which had been characterised by the shifting of cash and cash equivalents to time deposits in the prior year. In the reporting period, the cash flows especially reflected the reinvestment of investments that had reached maturity.

In the reporting period, the cash flow from financing activities underwent a cash outflow of €24.4 million, compared to €26.4 million in the prior year. The decline occurred due to higher inflows from the assumption of loans.

FREE CASH FLOW

€m



From January to September, the free cash flow increased, but remained negative as in the prior year. In the nine-month period, it amounted to minus €2.8 million (prior year: minus €16.1 million). The figure still strongly reflects investments within the scope of the extension built at the headquarters in Neckarsulm as well as our acquisitions.

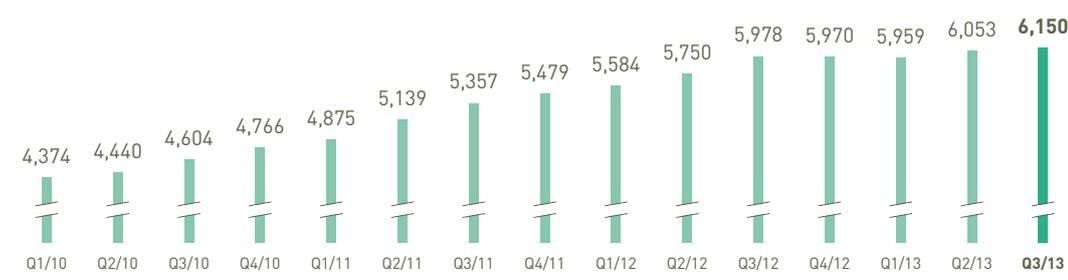
EMPLOYEES

■ Moderate increase in headcount

■ Training ratio above 9 per cent in Germany

As of the reporting date 30 September 2013, the BECHTLE Group had a total of 6,150 employees including 480 trainees, 180 more than on 31 December 2012. The increase is attributable both to acquisitions and to new recruitments, especially the high number of newly recruited trainees. Year on year, the headcount went up by 172 (30 September 2012: 5,978), an increase of 2.9 per cent.

EMPLOYEES IN THE GROUP

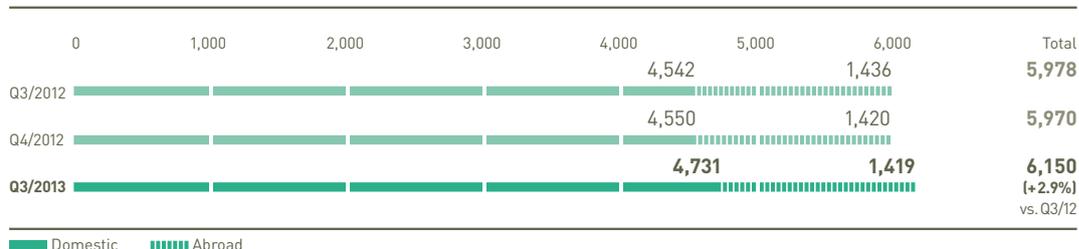


The domestic system houses underwent the greatest headcount increase. Here, the number of employees went up to 4,287 (31 December 2012: 4,104). In total, 4,731 persons or more than three quarters of the workforce were employed in Germany.



See Notes,
page 50 f

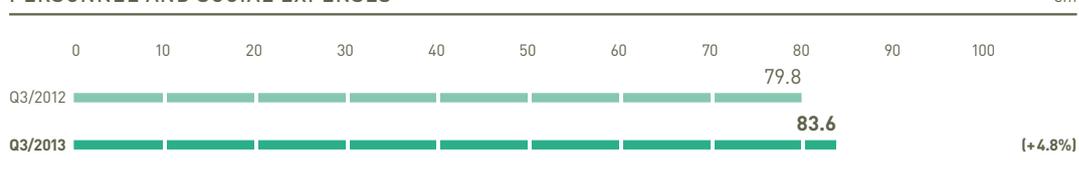
EMPLOYEES BY REGIONS



The average headcount in the group in the period from July to September 2013 amounted to 6,072, some 210 employees more than in the prior-year period (5,862).

In the period from July to September 2013, personnel and social expenses totalled €83.6 million, 4.8 per cent more than in the prior year (€79.8 million). However, due to the slower headcount increase in recent months, the expense ratio dropped from 15.9 per cent to 15.0 per cent. Based on an average number of 5,558 (prior year: 5,408) full-time and part-time employees, personnel and social expenses per employee amounted to €15.0 thousand, a level similar to that of the prior year (€14.8 thousand).

PERSONNEL AND SOCIAL EXPENSES



On 1 September 2013, 140 young men and women embarked on their training or integrated degree programme at BECHTLE AG (prior year: 136). At the end of the reporting period, the group thus had a total of 480 young trainees (prior year: 433), including 46 junior staff members abroad. The training ratio in Germany increased from 8.8 per cent in the prior-year quarter to 9.4 per cent as of 30 September 2013. BECHTLE holds fast to its goal of increasing the training ratio to about 12 per cent. Thus, in 2014, the number of training posts at the headquarters in Neckarsulm will be increased from 46 to 51.

BECHTLE has given the large majority of the trainees and students who successfully completed their training at BECHTLE in July or September a permanent employment contract, thereby keeping its retention rate high.

On 11 October, after the end of the reporting period, the "Training Day" was again held at our group headquarters in Neckarsulm. More than 100 high school students made use of the opportunity to ask our current trainees and students directly about the various training options in the company and establish some first contacts.

RESEARCH AND DEVELOPMENT

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

OPPORTUNITIES AND RISKS

■ Macroeconomic development remains risk factor

■ Uncertainties still remain

In line with the long-term focus of the strategy and business management of the BECHTLE Group, the opportunities and risks for the coming months are basically the same as those presented in the Annual Report 2012. In the course of the third quarter of 2013, no additional material risks or opportunities or substantial changes in the risk situation occurred compared to the risks presented in the last Annual Report. Currently, no risks have been identified that could – individually or collectively – endanger the going concern. The changes in the risk situation and in the assessment of opportunities were as follows, though these were partly only of marginal significance.

The economic performance of the IT market again fell short of expectations in the third quarter of 2013. In autumn, the forecasts for the year as a whole, which had already been lowered in spring, were reduced once more. Especially the hardware segment is affected. Though the economic situation in Germany has picked up to a certain extent in the course of the year, all crisis factors that could lead to a feeling of uncertainty on the customer side still remain: the debt crisis of some European countries, the political situation in the Near and Middle East, the uncertainty about the budget and the economic performance in the USA or the slackening of the Chinese economy, to mention just a few. For this reason, the uncertainties concerning the economic framework conditions in the next few months, as well as in 2014, remain high. Even if only one of the crisis scenarios were to intensify, this could lead to a global economic slowdown or simply a deterioration of the mood, which could have a negative impact on our business. Nevertheless, even a weaker economy would offer higher growth opportunities for the BECHTLE Group, e.g. through displacement of competitors and the acceleration of the consolidation in the market. All in all, the company assumes that the risks and opportunities described in the Annual Report 2012 with respect to economic trends and cyclicity within the industry will persist.



See
Annual Report 2012,
page 100 ff

The effects of the euro crisis are also evident in the customers' payment performance. Payment deadlines are increasingly missed, and the average DSO is on the rise. Consequently, the risk of late payment and bad debt losses has increased especially in southern European countries. BECHTLE successfully manages this risk by means of stringent accounts receivable management.

The picture in the public sector division remains divided: on the one hand, the tense budget situation in some European countries could impact the willingness of government institutions to invest. On the other hand, the public sector in Germany in particular benefits from rising tax income. Both factors could affect the business of BECHTLE AG. However, as the public sector division's business is still mainly focused on Germany, we believe that the opportunities are predominant. Furthermore, BECHTLE has, in the meantime, also strengthened its position as a supplier of institutions of the European Union, whose investment behaviour is largely detached from macroeconomic scenarios, so that the opportunities are predominant in this area as well.

In view of the ongoing shortage of specialists in the IT industry, BECHTLE had invested intensively in the recruitment of new employees in the prior year. The increased headcount and significantly higher personnel expenses are also accompanied by an increasing personnel risk. Especially in the case of a prolonged levelling out of the economy or, even worse, revenue declines, the increased cost basis could encumber the group's earnings position. However, the headcount increase has already slackened considerably since the fourth quarter of the prior year, resulting in a correspondent risk reduction.

SHARE

- Stock markets picking up
- Bechtle share up 6 per cent

The economic situation calmed in the third quarter of 2013. As the severity of the European debt crisis abated, the mood at the stock exchanges also improved starting from the beginning of the third quarter. The share prices went up, and the DAX hit a new record high in September.

In the third quarter, the price of the BECHTLE share remained more or less stable. Starting from a closing price of €35.62 on 1 July, the share reached its quarterly low of €34.80 as early as 3 July. By 11 July, the share price climbed to €36.95, a level at which it settled as the time went on. The BECHTLE share reached its quarterly high of €38.45 on 18 September. Based on the closing price of €37.77 at the end of the quarter on 30 September, our share gained a total of 6.0 per cent in the reporting period.

THE BECHTLE SHARE – PERFORMANCE FROM JANUARY TO OCTOBER 2013 €



On average, 20,195 shares were traded every trading day in the third quarter of 2013, compared to 31,942 shares in the prior year. The daily turnover averaged €753,361, a figure lower than that of the prior year (€982,684). In the TecDAX ranking of Deutsche Börse, BECHTLE ranked 24th in September in terms of the stock exchange turnover (prior year: 15th place). In terms of market cap, the company ranked 17th, one place lower than in the prior year.

TRADING DATA OF BECHTLE SHARE

		Q3/2013	Q3/2012	Q3/2011	Q3/2010	Q3/2009
Closing price at beginning of quarter	€	35.62	29.58	30.84	20.51	13.65
Closing price at end of quarter	€	37.77	30.00	25.05	24.25	17.28
High (closing price)	€	38.45	32.09	34.21	24.60	18.78
Low (closing price)	€	34.80	29.45	23.48	20.51	12.25
Performance – absolute	€	2.15	0.42	-5.79	3.74	3.63
Performance – relative	%	6.0	1.4	-18.8	18.2	26.6
Market cap – total ¹	€m	793.2	630.0	526.1	509.3	366.3
Avg. turnover/trading day ²	shares	20,195	31,942	72,995	25,959	31,500
Avg. turnover/trading day ²	€	753,361	982,684	2,053,248	591,331	502,025

Xetra price data

¹As of 30 September

²All German stock exchanges

EARNINGS PER SHARE

		Q3/2013	Q3/2012	Change	9M/2013	9M/2012	Change
Earnings after taxes	€k	17,609	13,167	+33.7	38,085	36,184	+5.3
Avg. number of shares	th. shares	21,000	21,000	–	21,000	21,000	–
Earnings per share	€	0.83	0.62	+33.7	1.81	1.72	+5.3

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

After the end of the reporting period, Bankhaus Lampe started covering the BECHTLE share from October onwards. Thus, the company is now monitored and regularly rated by ten banks and research firms.

FORECAST

- Macroeconomic recovery to carry on
- Considerable GDP growth in 2014
- Bechtle expects positive performance



Events after the reporting period, see Notes, page 52

Macroeconomy

According to the forecast of the European Commission, the economy in EU will continue to pick up, with constant growth dynamics. Growth of 0.3 per cent over the prior quarter is forecasted for the three coming quarters. In 2013 as a whole, the GDP growth is to stagnate at 0.0 per cent, while an increase of 1.4 per cent is projected for 2014. The prospects on the BECHTLE markets in the EU are mixed, though negative GDP development is no longer expected for any country. In the fourth quarter of 2013, the figures range from 0.0 per cent in Portugal to 0.7 per cent in Poland and Hungary compared to the prior quarter. For 2014 as a whole, the bandwidth ranges from 0.2 per cent in the Netherlands to 2.5 per cent in Poland. According to the opinion of the Swiss State Secretariat for Economic Affairs (SECO), Switzerland is to perform significantly better than the EU, reaching a GDP growth rate of 1.8 per cent in 2013. On the other hand, investments in equipment – which are relevant to BECHTLE – are to decline 0.5 per cent in 2013. In 2014, the GDP in Switzerland is to grow 2.3 per cent. Investments in equipment are to grow by an above-average 3.5 per cent.



ec.europa.eu



www.seco.admin.ch

In the coming months, the economic performance in Germany is again expected to be better than the EU average. A GDP growth of 0.5 per cent is envisaged for the fourth quarter. All in all, most analysts anticipate Germany's GDP growth in 2013 to reach 0.3 to 0.6 per cent. Investments in equipment will recede 2.7 per cent, while government expenditure is to grow 1.1 per cent. In 2014, the GDP is expected to be significantly higher: The growth forecasts range from 1.4 to 2.0 per cent. Investments in equipment are expected to increase significantly by 5.0 per cent.

Industry

In 2013, the IT market is to grow faster than the economy as a whole. However, the expectations have already been reduced twice in the course of the year. As of October 2013, the market research institute EITO predicts an increase of 1.4 per cent for the IT market in the EU. The growth is to be driven by the IT services segment with 1.3 per cent and the software segment with 3.4 per cent. Hardware revenues are to decline 0.7 per cent. In 2014, the IT market growth in the EU is to speed up again, reaching 3.0 per cent. Hardware revenues are expected to return to growth at a rate of 2.4 per cent. Moreover, an increase of 2.7 per cent is anticipated for services and 4.4 per cent for software.



www.eito.com

In the countries in which BECHTLE is present, hardware revenues diverge greatly in 2013, from minus 5.3 per cent in Portugal to plus 16.6 per cent in Ireland. Though the development is expected to be considerably better in most countries in 2014, the gap is not likely to close noticeably. Thus, it will range from minus 3.4 per cent in Poland to plus 11.4 per cent in the Czech Republic. The differences in the field of software are not

that conspicuous, but still noticeable. The revenue growth in 2013 ranges from minus 6.5 per cent in Poland to plus 5.7 per cent in Switzerland. In 2014, the gap will close slightly, ranging from minus 0.2 per cent in Portugal to plus 6.5 per cent in the Czech Republic.

The development in Switzerland is better than throughout the EU. Here, an increase of 2.7 per cent is expected for the IT market in 2013. Hardware revenues are to stagnate at 0.1 per cent, and services are to grow 2.1 per cent and software 5.7 per cent. Here too, the dynamics will increase in 2014. For the IT market as a whole, growth of 3.4 per cent is predicted, with hardware gaining 1.5 per cent, services 3.0 per cent and software 5.4 per cent.

According to EITO, the expenditure on the German IT market is to grow 1.7 per cent to €68.0 billion in 2013. At 4.9 per cent, software is expected to be the growth driver. The growth rate of services is anticipated at 2.4 per cent. Hardware revenues are to recede 3.8 per cent. In Germany too, 2014 is to see more growth on the IT market. However, hardware is to remain on the negative side, with minus 1.9 per cent. Services are to increase 3.2 per cent and software – the growth driver – 5.1 per cent. In total, growth of 2.6 per cent is expected for the IT market in Germany in 2014.

Performance of the Bechtle Group

After the somewhat sluggish demand for our products and services in the first half of the year, the situation changed in the third quarter. We are not only significantly above the prior year in terms of the revenue and earnings, our earnings have also closed up with the gap to the prior year that had opened up in the first half of the year and even surpassed the results of the nine-month period 2012.

From the current perspective, we are confident that our revenue and earnings position will outperform the prior year in the fourth quarter as well. However, as the fourth quarter of 2012 was outstanding, it is unlikely that we will record growth rates as dynamic as those of the third quarter. Strengthened by the good reporting quarter, we believe that the fiscal year 2013 will see a clear – though single-digit – increase in revenue and a noticeable earnings growth. Thus, we will continue to grow faster than the market, thereby expanding our market share.

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

Irrespective of the acquisitions, we plan a stable to slightly increasing headcount for 2013 and 2014. The cost pressure resulting from the sharp increase in the number of employees in the prior year is anticipated to further abate in the fourth quarter, as the number of employees had already abandoned its sharp rise in the corresponding prior-year quarter, and we expect the capacity utilisation of our employees to remain at a high level as we approach the end of the year.

BECHTLE is continually intensifying its public sector business. In this connection, our company that was founded in Bruxelles in November 2011 plays a key role, as the requests for tenders of European institutions offer great potential. From Bruxelles, the business with European institutions is coordinated and intensified through direct local contact. We received a contract from the European Commission in the second quarter and another one in the third quarter. The volume over the contract period of four years amounts to about €80 million and €110 million, respectively. We don't expect these two contracts to make significant contribution to the revenues until the end of the fourth quarter.

In the IT e-commerce segment, there are no plans to establish a new company in the current fiscal year. Instead, the focus is on the consolidation of the BECHTLE DIRECT companies newly established at annual intervals over the past five years, and on the expansion of the brand awareness. The next medium-term goals are the expansion of the presence of our COMSOFT DIRECT brand to the UK and of ARP to Belgium.

Most of the construction measures at the headquarters in Neckarsulm were completed by the end of 2012. As some of the vacated spaces were converted in the first half of 2013 following the move into the new building early in the year, an above-average investment ratio is again expected for 2013 as a whole. The investment ratio should return to normal in 2014.

Our sustainable earning power and stable liquidity base provide us with the funds needed for realising our planned growth. There are no plans for material changes to our company structure and organisation or to our business targets and strategies.

Forward-looking Statements

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

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

Neckarsulm, 13 November 2013

BECHTLE AG
The Executive Board

CONSOLIDATED INCOME STATEMENT

	01.07– 30.09.2013	01.07– 30.09.2012	01.01– 30.09.2013	01.01– 30.09.2012
Revenue	558,805	501,626	1,591,272	1,484,551
Cost of sales	473,732	426,170 ¹	1,353,924	1,259,552 ¹
Gross profit	85,073	75,456¹	237,348	224,999¹
Distribution costs	36,605	34,468 ¹	111,078	105,501 ¹
Administrative expenses	26,182	25,242 ¹	80,204	75,766 ¹
Other operating income	2,887	2,862 ¹	8,573	7,477 ¹
Operating earnings	25,173	18,608¹	54,639	51,209¹
Financial income	367	556	1,206	1,670
Financial expenses	791	835	2,418	2,478
Earnings before taxes	24,749	18,329¹	53,427	50,401¹
Income taxes	7,140	5,162 ¹	15,342	14,217 ¹
Earnings after taxes (attributable to shareholders of Bechtle AG)	17,609	13,167¹	38,085	36,184¹
Net earnings per share (basic and diluted) (€)	0.83	0.62¹	1.81	1.72¹
Weighted average shares outstanding (basic and diluted) in thousands	21,000	21,000	21,000	21,000

¹Adjusted figure, see page 32f and page 34f

See
further comments
in the Notes,
in particular IV.,
page 34 ff

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	€k			
	01.07- 30.09.2013	01.07- 30.09.2012	01.01- 30.09.2013	01.01- 30.09.2012
Earnings after taxes	17,609	13,167¹	38,085	36,184¹
Other comprehensive income				
Items that will not be reclassified to profit or loss in subsequent periods				
Actuarial gains and losses in pension provisions	-117	92	139	-86
Income tax effects	21	-16	-24	16
Items that will be reclassified to profit or loss in subsequent periods				
Unrealised gains and losses from securities	-69	85	-285	433
Income tax effects	9	-11	35	-52
Unrealised gains and losses from financial derivatives	-1,261	-20	-1,144	-56
Income tax effects	369	6	335	16
Currency translation differences from net investments in foreign operations	64	-26	1	46
Income tax effects	-3	3	2	-11
Hedging of net investments in foreign operations	-552	339	679	-154
Income tax effects	162	-99	-198	45
Currency translation differences	830	-396 ¹	-1,035	618 ¹
Other comprehensive income	-547	-43¹	-1,495	815¹
of which income tax effects	558	-117	150	14
Total comprehensive income (attributable to shareholders of Bechtle AG)	17,062	13,124¹	36,590	36,999¹

¹Adjusted figure, see page 32f



See
further comments
in the Notes,
in particular IV.,
page 34 ff

CONSOLIDATED BALANCE SHEET

ASSETS	€k			
	30.09.2013	31.12.2012	30.09.2012	31.12.2011
Non-current assets				
Goodwill	138,082	137,483	137,402	135,648
Other intangible assets	18,431	20,991	20,839	22,348
Property, plant and equipment	98,171	94,537	90,685	79,645
Trade receivables	1,520	2,243	1,661	975
Income tax receivables	89	113	114	133
Deferred taxes	6,764	7,640 ¹	7,930 ¹	9,473 ¹
Other assets	2,448	2,224	2,326	2,356
Time deposits and securities	37,217	32,059	47,493	30,700
Total non-current assets	302,722	297,290¹	308,450¹	281,278¹
Current assets				
Inventories	113,318	90,065	99,051	91,190
Trade receivables	287,098	307,348	255,391	286,773
Income tax receivables	1,787	927	1,087	1,072
Other assets	34,114	35,423	31,744	31,955
Time deposits and securities	23,483	35,888	20,908	16,219
Cash and cash equivalents	59,159	78,208	32,936	94,569
Total current assets	518,959	547,859	441,117	521,778
Total assets	821,681	845,149¹	749,567¹	803,056¹

¹ Adjusted figure, see page 32f



See
further comments
in the Notes,
in particular V.,
page 37 ff

EQUITY AND LIABILITIES

€k

	30.09.2013	31.12.2012	30.09.2012	31.12.2011
Equity				
Issued capital	21,000	21,000	21,000	21,000
Capital reserves	145,228	145,228	145,228	145,228
Retained earnings	308,946	293,356 ¹	271,368 ¹	255,369 ¹
Total equity	475,174	459,584¹	437,596¹	421,597¹
Non-current liabilities				
Pension provisions	10,579	9,260 ¹	12,210 ¹	11,873 ¹
Other provisions	2,873	2,139	1,213	1,182
Financial liabilities	55,455	61,142	52,129	57,280
Trade payables	52	0	0	0
Deferred taxes	16,415	16,056	15,806	15,847
Other liabilities	634	296	395	1,216
Accruals and deferrals	9,425	8,902	8,407	8,359
Total non-current liabilities	95,433	97,795¹	90,160¹	95,757¹
Current liabilities				
Other provisions	5,637	5,241	5,838	5,643
Financial liabilities	17,417	12,567	11,700	9,002
Trade payables	130,115	145,964	114,227	148,799
Income tax payables	2,015	6,906	2,696	8,735
Other liabilities	55,774	74,963	53,642	72,237
Accruals and deferrals	40,116	42,129	33,708	41,286
Total current liabilities	251,074	287,770	221,811	285,702
Total equity and liabilities	821,681	845,149¹	749,567¹	803,056¹

¹Adjusted figure, see page 32f

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€k

	Issued capital	Capital reserves	Retained earnings		Total	Total equity (attributable to shareholders of Bechtle AG)
			Accrued profits	Changes in equity outside profit or loss		
Equity as of 1 January 2012 (as reported)	21,000	145,228	254,130	-1,314	252,816	419,044
Effects from the retroactive adoption of IAS 19R			2,553		2,553	2,553
Equity as of 1 January 2012	21,000	145,228	256,683	-1,314	255,369	421,597
Distribution of profits for 2011			-21,000		-21,000	-21,000
Earnings after taxes			36,184 ¹		36,184 ¹	36,184 ¹
Other comprehensive income				815 ¹	815 ¹	815 ¹
Total comprehensive income	0	0	36,184 ¹	815 ¹	36,999 ¹	36,999 ¹
Equity as of 30 September 2012	21,000	145,228	271,867¹	-499¹	271,368¹	437,596¹
Equity as of 1 January 2013 (as reported)	21,000	145,228	289,691	2,474	292,165	458,393
Effects from the retroactive adoption of IAS 19R			2,291	-1,100	1,191	1,191
Equity as of 1 January 2013	21,000	145,228	291,982	1,374	293,356	459,584
Distribution of profits for 2012			-21,000		-21,000	-21,000
Earnings after taxes			38,085		38,085	38,085
Other comprehensive income				-1,495	-1,495	-1,495
Total comprehensive income	0	0	38,085	-1,495	36,590	36,590
Equity as of 30 September 2013	21,000	145,228	309,067	-121	308,946	475,174

¹ Adjusted figure, see page 32f



See further comments in the Notes, in particular V., page 37f

CONSOLIDATED CASH FLOW STATEMENT

	01.07- 30.09.2013	01.07- 30.09.2012	01.01- 30.09.2013	01.01- 30.09.2012
€k				
Operating activities				
Earnings before taxes	24,749	18,329 ¹	53,427	50,401 ¹
Adjustment for non-cash expenses and income				
Financial earnings	424	279	1,212	808
Depreciation/amortisation of intangible assets and property, plant and equipment	5,535	5,296	16,833	16,070
Gain/loss on disposal of intangible assets and property, plant and equipment	-1	-5	-16	38
Other non-cash expenses and income	725	-135 ¹	1,506	-1,127 ¹
Changes in net assets				
Changes in inventories	-18,305	2,117	-23,622	-6,952
Changes in trade receivables	-159	7,982	21,528	34,904
Changes in trade payables	2,917	-17,498	-15,300	-36,498
Changes in accruals and deferrals	-2,731	-5,684	-2,290	-9,147
Changes in other net assets	-1,800	-1,714	-15,305	-18,894
Income taxes paid	-5,129	-4,685	-20,142	-18,544
Cash flow from operating activities	6,225	4,282	17,831	11,059
Investing activity				
Cash paid for acquisitions less cash acquired	0	-1,650	-3,748	-4,541
Cash received from divestments	333	0	333	0
Cash paid for investments in intangible assets and property, plant and equipment	-4,360	-8,201	-17,426	-22,790
Cash received from the sale of intangible assets and property, plant and equipment	59	81	255	196
Cash paid for the acquisition of time deposits and securities	0	6,658	-20,000	-38,420
Cash received from the sale of time deposits and securities, and from redemptions of non-current assets	11	151	26,838	16,899
Interest payments received	385	416	1,429	2,062
Cash flow from investing activities	-3,572	-2,545	-12,319	-46,594
Financing activities				
Cash paid for the repayment of financial liabilities	-1,923	-3,827	-10,193	-7,886
Cash received from the assumption of financial liabilities	5,371	2,905	9,186	4,851
Dividends paid	0	0	-21,000	-21,000
Interest paid	-810	-783	-2,395	-2,362
Cash flow from financing activities	2,638	-1,705	-24,402	-26,397
Exchange-rate-related changes in cash and cash equivalents	225	-59	-159	299
Changes in cash and cash equivalents	5,516	-27	-19,049	-61,633
Cash and cash equivalents at beginning of the period	53,643	32,963	78,208	94,569
Cash and cash equivalents at the end of the period	59,159	32,936	59,159	32,936

¹Adjusted figure, see page 32f



See further comments in the Notes, in particular VI., page 39

NOTES

I. GENERAL DISCLOSURES

BECHTLE AG, Bechtle Platz 1, 74172 Neckarsulm, Germany, is a listed company and as such required under Section 315a of the German Commercial Code (HGB) to prepare its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as endorsed by the EU. Accordingly, this interim financial report as of 30 September 2013 has been prepared in accordance with the IFRS.

In accordance with IAS 34, the scope of the presentation used in this interim financial report as of 30 September 2013 is significantly reduced compared to the consolidated financial statements as of the end of the fiscal year. Additionally, the requirements of the German Accounting Standard No. 16 (DRS 16) and the Stock Exchange Rules and Regulations of the Frankfurt stock exchange that exceed IAS 34 have been taken into consideration and fully met.

Our business activity is subject to certain seasonal fluctuations during the year. In the past, the revenues and earnings contributions tended to be at their lowest in the first quarter and at their highest in the fourth quarter due to the traditionally strong year-end business. Therefore, the interim results only qualify as indicators for the results of the fiscal year as a whole to a limited extent.

II. KEY PRINCIPLES OF ACCOUNTING AND CONSOLIDATION



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

Pronouncement	Publication by IASB/IFRIC	Endorsement (EU)	Effective date (EU) ¹
Pronouncements to be adopted for the first time in the current fiscal year			
Amendments to IAS 19 Employee Benefits	16 June 2011	5 June 2012	1 January 2013
Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards	13 March 2012	4 March 2013	1 January 2013
Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities	28 June 2012	4 April 2013	1 January 2014 ²
IFRS 13 Fair Value Measurement	12 May 2011	11 December 2012	1 January 2013
Amendments to IFRS: Improvements to International Financial Reporting Standards, 2009–2011 Cycle	17 May 2012	27 March 2013	1 January 2013

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

² Adoption is mandatory if IFRS 10, IFRS 11 and IFRS 12 are adopted ahead of time.

Amendments to IAS 19 Employee Benefits. Due to the amendments to IAS 19, any actuarial gains and losses from defined benefit plans must immediately be recognised in equity; thus, the optional corridor method can no longer be used. As BECHTLE has already recognised all actuarial gains and losses in equity in the respective period (formerly IAS 19.93A) for many years, no changes are necessary in this area. IAS 19R requires a share of the employee in the risk of the pension plan to be taken into consideration in the determination of the pension obligations. This results in a reduction of the pension provision. Another change concerns the use of a uniform interest rate to discount the defined benefit obligation and to calculate the expected return on plan assets. As was previously the case with the discount rate, this interest rate is to be based on the yield of high-quality corporate bonds. This results in higher pension expenses. Concerning the details of the changes due to the retroactive adoption, see “Adjusted Prior-Year Figures”.



See page 32

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards. For first-time adopters of the IFRS, the accounting of government loans granted at below-market rates of interest has been changed. The benefit from the loan granted at below-market rates must not be treated as a government grant, but must be recognised as a loan according to IFRS 9 and IAS 39, respectively. As BECHTLE has already adopted the IFRS and has never recognised benefits from loans granted at below-market rates as government grants, the first-time adoption of these amendments does not affect BECHTLE.

Amendments to IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities. The amendments published on 28 June 2012 contain clarifications and simplifications for the first-time adoption of the standards with respect to the presentation of comparative figures. The first-time adoption of these amendments does not affect BECHTLE, as BECHTLE had already adopted IFRS 10, IFRS 11 and IFRS 12 ahead of time in the fiscal year 2012.

IFRS 13 Fair Value Measurement. IFRS 13 defines how the fair value is to be determined if required as a measurement method in another standard. IFRS 13 creates a uniform framework for the determination of the fair value and standardises the required disclosures. Though this new standard does not lead to an expansion of the fair value measurements, it requires more extensive disclosures in the notes with respect to the parameters used to determine the fair value. As in prior years, the determination of the assets and liabilities measured at fair value in the financial statements of BECHTLE was based on public market quotations or input factors derived therefrom. Due to the adoption of this standard, the disclosures in the notes have been supplemented accordingly. This does not affect the assets, financial and earnings position.

Amendments to IFRS: Improvements to International Financial Reporting Standards, 2009–2011 Cycle. 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. These amendments primarily concern the elimination of inconsistencies between various standards and fuzzy formulations. For BECHTLE, the first-time adoption of these amendments to the IFRS did not result in any significant consequences or changes to the assets, financial and earnings position and their presentation.



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BECHTLE had already adopted the other new or amended standards and interpretations whose adoption is mandatory for the fiscal year 2013 ahead of time for the consolidated financial statements for the fiscal year 2012.

In this interim financial report, the same key principles of accounting and consolidation were applied as in the consolidated financial statements for the fiscal year 2012. For further information, please refer to the consolidated financial statements as of 31 December 2012, which form the basis for these interim financial statements.

Adjusted Prior-Year Figures

The retroactive adoption of IAS 19R resulted in the following effects on the balance sheet, income statement and other comprehensive income.

CONSOLIDATED BALANCE SHEET

€k

	31.12.2012			30.09.2012			31.12.2011		
	Before adjustment	Adjustment IAS 19R	After adjustment	Before adjustment	Adjustment IAS 19R	After adjustment	Before adjustment	Adjustment IAS 19R	After adjustment
Assets									
Deferred tax	7,933	-293	7,640	8,242	-312	7,930	9,833	-360	9,473
Total assets	845,442	-293	845,149	749,879	-312	749,567	803,416	-360	803,056
Equity and liabilities									
Retained earnings	292,165	1,191	293,356	268,995	2,373	271,368	252,816	2,553	255,369
Pension provisions	10,744	-1,484	9,260	14,895	-2,685	12,210	14,786	-2,913	11,873
Total equity and liabilities	845,442	-293	845,149	749,879	-312	749,567	803,416	-360	803,056

CONSOLIDATED INCOME STATEMENT

€k

	01.01 – 30.09.2012		
	Before adjustment	Adjustment IAS 19R	After adjustment
Operating earnings	51,456	-247	51,209
Earnings before taxes	50,648	-247	50,401
Income taxes	14,267	-50	14,217
Earnings after taxes (attributable to shareholders of Bechtle AG)	36,381	-197	36,184
Net earnings per share (basic and diluted) (€)	1.73		1.72

The change in the operating income corresponds to the change of the personnel expenses.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€k

	01.01 – 30.09.2012		
	Before adjustment	Adjustment IAS 19R	After adjustment
Earnings after taxes	36,381	-197	36,184
Currency translation differences	601	17	618
Other comprehensive income	798	17	815
Total comprehensive income (attributable to shareholders of Bechtle AG)	37,179	-180	36,999

If the company had not adopted IAS 19R as of 1 January 2013, this would not have significantly affected the consolidated earnings, but the pension provisions would have been €1.5 million higher (the amount that was retroactively adjusted as of 31 December 2012). The retained earnings would have been €1.2 million lower, and the deferred tax assets €0.3 million higher. For further information on the calculation of the obligation and the applied parameters, refer to the Annual Report 2012, page 169 ff. For the calculation of the balance sheet and expense items pursuant to IAS 19R, the parameters stated in the Annual Report 2012 were used.



See
Annual Report 2012,
page 169 ff

Income Taxes

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

III. SCOPE OF CONSOLIDATION

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

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

Company	Headquarters	Date of initial consolidation	Acquisition/ foundation
Viritim Systemhaus GmbH ¹	Karlsruhe	15 March 2013	Acquisition
Sedna Informatik AG ²	Gümligen near Bern, Switzerland	8 April 2013	Acquisition

¹ Meanwhile merged with HanseVision GmbH

² Meanwhile merged with Bechtle Schweiz AG

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

Expense Structure

Since the consolidated financial statements for 2012, new management information systems have enabled a more precise allocation of the personnel expenses, BECHTLE'S largest expense item in the income statement after the material costs. With the help of the allocation to the employees, the direct personnel expenses can be directly allocated to their functions. In the interim financial report as of 30 September 2012, the costs had mainly been allocated on a per-capita basis.

Moreover, the income and expenses from exchange rate fluctuations, which had previously been recognised in the other operating expenses and other operating income, have been reclassified as material costs. As BECHTLE issues most of its invoices to customers in domestic currency, income and expenses from exchange rate fluctuations mainly arise in connection with the purchase of goods in foreign currency.



See page 32

The retroactive adoption of IAS 19R (see chapter "Key Principles of Accounting and Consolidation") also affected the expense structure.

The adjustments compared to the interim financial report as of 30 September 2012 are presented in the following table.

	01.01 – 30.09.2012				
	Before adjustment	Adjustment IAS 19R	Change of the allocation formula	Exchange rate fluctuations	After adjustment
Revenues	1,484,551	–	–	–	1,484,551
Cost of sales	1,260,803	103	–864	–490	1,259,552
Gross profit	223,748	–103	864	490	224,999
Distribution costs	98,975	84	6,816	–374	105,501
Administrative expenses	81,932	60	–5,952	–274	75,766
Other operating income	8,615	0	0	–1,138	7,477
Operating earnings	51,456	–247	0	0	51,209

€k

Compared to the interim financial report as of 30 September 2012, the said adjustments resulted in a decrease of €1,251 thousand in the presented cost of sales, a decrease of €6,166 thousand in the presented administrative expenses and an increase of €6,526 thousand in the presented distribution costs.

€k

	Cost of sales		Distribution costs		Administrative expenses	
	01.01– 30.09.2013	01.01– 30.09.2012	01.01– 30.09.2013	01.01– 30.09.2012	01.01– 30.09.2013	01.01– 30.09.2012
Material costs	1,201,146	1,117,367	0	0	0	0
Personnel expenses	117,375	107,823	87,389	82,492	51,156	48,850
Depreciation/amortisation	7,965	7,806	3,956	3,973	4,912	4,291
Other operating expenses	27,438	26,556	19,733	19,036	24,136	22,625
Total costs	1,353,924	1,259,552	111,078	105,501	80,204	75,766

The year-on-year increase of all expense types was mainly caused by the higher business volume in the reporting period and the increase in the number of employees.

Other Operating Income

Other operating income mainly consisted of marketing grants and other payments from suppliers amounting to €7,580 thousand (prior year: €6,587 thousand).

The income from exchange rate fluctuations is not presented under other operating income, but under the material costs, netted against the expenses from exchange rate fluctuations. In the interim financial report as of 30 September 2012, the income from exchange rate fluctuations had been included in the other operating income. Compared to the reporting at the time, the other operating income presented for the prior-year period was €1,138 thousand lower.



See page 34

Financial Income and Financial Expenses

The financial income mainly comprises income from time deposits and securities as well as cash and cash equivalents. The year-on-year decrease was caused by the further decline of the interest rates. The monetary investment strategy continues to focus on ensuring the company's unlimited solvency at all times and only permits particularly low-risk or hedged investments.

The financial expenses mainly include interest paid for the financial liabilities. Due to the mostly fixed-interest loans and the almost unchanged amount of the loan liabilities, the financial expenses remained at the prior-year level.

Earnings per Share

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

	01.01– 30.09.2013	01.01– 30.09.2012
Earnings after taxes (€k)	38,085	36,184 ¹
Average number of outstanding shares	21,000,000	21,000,000
Earnings per share (€)	1.81	1.72¹

¹Figure adjusted due to adoption of IAS 19R

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

Other Comprehensive Income



See
Statement of Changes
in Equity,
page 28

The other comprehensive income was mainly affected by the development of the euro/Swiss franc exchange rate. Unlike the corresponding prior-year period, in which the Swiss franc had gained value against the euro, the Swiss currency lost value in the first nine months of 2013.



See Fair Value
of Financial
Instruments,
page 40 ff

In the reporting period, a currency hedge was added for future purchases of goods in USD. This hedge was accounted for as a cash flow hedge. The market value of the forward transactions (–€1,301 thousand) was recognised outside profit or loss under other comprehensive income under consideration of the deferred taxes (€380 thousand). The forward transactions consisted of currency forwards that will reach maturity at quarterly intervals for the first time in October 2013 and for the last time in July 2015. In terms of their volume and timing, the planned purchases of goods correspond to the currency forwards. This hedge can be considered as effective even in the case of realistic deviations from the plan.

Details on the composition of the other comprehensive income, which is recognised directly in equity outside profit or loss, with respect to the change that this item underwent and its accumulated balance are presented in section V. “Notes to the Balance Sheet and to the Statement of Changes in Equity”.

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

Assets

The reduction of the trade receivables in the reporting period resulted from the seasonal fluctuations during the year, with a high-revenue final quarter. Apart from the seasonal fluctuations, the significant increase in inventories was due to the stock levels required for ongoing large projects.



See page 30

Compared to the consolidated financial statements as of 31 December 2012, the assets of the BECHTLE Group as of 30 September 2013 also contain the assets of the companies newly acquired in the period under review.



See Acquisitions,
Purchase Price
Allocation and
Divestments,
page 45 ff

In the first nine months of 2013, time deposits and securities that had been classified as short-term investments as of 31 December 2012 reached maturity. The funds were partially reinvested in time deposits with terms of more than one year to maturity.

Equity

Retained earnings

At the Annual General Meeting of 18 June 2013, a resolution was adopted to pay a dividend of €1.00 per no-par share with dividend entitlement for the fiscal year 2012. The dividend was paid out on 19 June 2013.



Dividend payment

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

	30.09.2013			31.12.2012		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Actuarial gains and losses in pension provisions	-11,418	2,014	-9,404	-11,557 ¹	2,038 ¹	-9,519 ¹
Unrealised gains and losses from securities	406	-32	374	691	-67	624
Unrealised gains and losses from financial derivatives	-1,550	453	-1,097	-406	118	-288
Currency translation differences from net investments in foreign operations	-6	2	-4	-7	0	-7
Hedging of net investments in foreign operations	-8,769	2,554	-6,215	-9,448	2,752	-6,696
Currency translation differences	16,225	0	16,225	17,260 ¹	0	17,260 ¹
Other comprehensive income	-5,112	4,991	-121	-3,467¹	4,841¹	1,374¹

¹Figure adjusted due to adoption of IAS 19R

	€k					
	01.01–30.09.2013			01.01–30.09.2012		
	Before taxes	Income tax effects	After taxes	Before taxes	Income tax effects	After taxes
Items that will not be reclassified to profit or loss in subsequent periods						
Actuarial gains and losses in pension provisions	139	-24	115	-86	16	-70
Items that will be reclassified to profit or loss in subsequent periods						
Unrealised gains and losses from securities	-285	35	-250	433	-52	381
Gains and losses that arose in the current period	-194	18	-176	446	-53	393
Reclassifications to profit and loss	-91	17	-74	-13	1	-12
Unrealised gains and losses from financial derivatives	-1,144	335	-809	-56	16	-40
Gains and losses that arose in the current period	-1,294	379	-915	-196	57	-139
Reclassifications to profit and loss	150	-44	106	140	-41	99
Currency translation differences from net investments in foreign operations	1	2	3	46	-11	35
Gains and losses that arose in the current period	3	2	5	0	0	0
Reclassifications to profit and loss	-2	0	-2	46	-11	35
Hedging of net investments in foreign operations	679	-198	481	-154	45	-109
Gains and losses that arose in the current period	679	-198	481	-154	45	-109
Reclassifications to profit and loss	0	0	0	0	0	0
Currency translation differences	-1,035	0	-1,035	618 ¹	0	618 ¹
Other comprehensive income	-1,645	150	-1,495	801 ¹	14	815 ¹

¹ Figure adjusted due to adoption of IAS 19R

Liabilities



See page 30

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



Further details of the loans, see Annual Report 2012, page 177 ff

Apart from the scheduled repayment of the financial liabilities, BECHTLE exercised its special right of termination for two loans. By means of an unscheduled repayment amounting to a total of €516 thousand, loans with annual interest rates of 3.55 per cent and 3.7 per cent, which had been assumed within the scope of the acquisition of SolidLine in 2011, were fully repaid. On the other hand, the repayments were counterbalanced by the assumption of new supplier loans that are not subject to interest and that are mostly of a short-term nature.



See page 45 ff

Compared to the consolidated financial statements as of 31 December 2012, the liabilities of the BECHTLE Group as of 30 September 2013 also contain the liabilities of the companies newly acquired in the period under review.

VI. EXPLANATORY NOTES ON THE CASH FLOW STATEMENT

The year-on-year increase in the cash flow from operating activities was caused both by the higher earnings before taxes and by the lower cash outflow and higher cash inflow from changes in the net assets in the reporting period.

The greater increase in inventories and the lower increase in trade receivables were almost fully compensated by the lower reduction of trade payables and the lower decline in accruals and deferrals. The other net assets declined less significantly than in the prior-year period and compensated the higher tax payments compared to the prior-year period.

In the prior year, the cash flow from investing activities had been largely marked by shifting of free cash and cash equivalents to time deposits and securities. In the reporting period, some of the time deposits and securities that had reached maturity were reinvested, but no shifting took place.

The cash flow from financing activities was mainly marked by the dividend that was paid out in the reporting period. The dividend for the fiscal year 2012 amounted to €21,000 thousand, as for the prior fiscal year. The higher cash flow from financing activities was caused by the increased inflow from the assumption of financial liabilities that was not fully compensated by the repayment of the existing financial liabilities.



See page 38

Due to the retroactive adoption of IAS19R, the cash flow statement of the prior-year period deviates from that of the interim financial report as of 30 September 2012 in terms of the earnings before taxes and the other non-cash expenses and income. The earnings before taxes are €247 thousand lower, while the other non-cash expenses and income are €247 thousand higher.

VII. OPERATING LEASES

The future minimum lease payments from rental and leasing contracts classified as "operating leases" according to IAS 17 amounted to €60,460 thousand as of 30 September 2013 (31 December 2012: €65,185 thousand).

	30.09.2013	31.12.2012
Due within one year	22,930	23,794
Due between one and five years	30,270	34,345
Due after five years	7,260	7,046
Total minimum lease payments	60,460	65,185

€k

VIII. FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities (financial instruments) are classified according to IFRS 7. The financial instruments contained in the balance-sheet items listed below are classified as follows:

Balance-sheet item	Class pursuant to IFRS 7	30.09.2013	31.12.2012
Assets			
Trade receivables	Trade receivables	288,618	309,591
Time deposits and securities	Securities	28,023	45,378
	Time deposits	32,677	22,569
Other assets	Other financial assets	17,463	19,651
	Financial derivatives	927	0
Cash and cash equivalents	Cash and cash equivalents	59,159	78,208
Equity and liabilities			
Financial liabilities	Loans	72,872	73,709
Trade payables	Trade payables	130,167	145,964
Other liabilities	Other financial liabilities	39,594	45,185 ¹
	Liabilities from acquisitions	463	2,470 ¹
	Financial derivatives	1,550	406

¹Presentation adjusted



See

Annual Report 2012,
page 157 ff

Concerning the further definition and categorisation of the presented financial instruments, please refer to the information under "Further Explanatory Notes on the Balance Sheet" in the Annual Report 2012 on page 157 ff.

The table below compares the carrying amounts and fair values of the financial instruments:

€k					
Class pursuant to IFRS 7	Valuation category	Carrying amount 30.09.2013	Fair value 30.09.2013	Carrying amount 31.12.2012	Fair value 31.12.2012
Assets					
Trade receivables	LAR	288,618	288,618	309,591	309,591
Securities	AFS	28,023	28,023	45,378	45,378
Time deposits	LAR	32,677	32,672	22,569	22,375
Other financial assets	LAR	17,463	17,517	19,651	19,723
Financial derivatives					
Derivatives with hedge relationship	n/a	679	679	0	0
Derivatives without hedge relationship	FAFVPL	248	248	0	0
Cash and cash equivalents	LAR	59,159	59,159	78,208	78,208
Equity and Liabilities					
Loans	FLAC	72,872	78,532	73,709	81,337
Trade payables	FLAC	130,167	130,167	145,964	145,964
Other financial liabilities	FLAC	39,594	39,594	45,185 ¹	45,185 ¹
Liabilities from acquisitions	FLFVPL	463	463	2,470 ¹	2,470 ¹
Financial derivatives					
Derivatives with hedge relationship	n/a	1,550	1,550	406	406
Thereof aggregated according to valuation category pursuant to IAS 39:					
	LAR	397,917	397,966	430,019	429,897
	AFS	28,023	28,023	45,378	45,378
	FLAC	242,633	248,293	264,858 ¹	272,486 ¹
	FAFVPL	248	248	0	0
	FLFVPL	463	463	2,470 ¹	2,470 ¹

¹Presentation adjusted

Abbreviations used for the measurement categories of IAS 39:

- LAR = Loans and receivables
- AFS = Available-for-sale financial assets
- FLAC = Financial liabilities at amortised cost
- FAFVPL = Financial assets measured at fair value through profit and loss
- FLFVPL = Financial liabilities measured at fair value through profit and loss

In the Annual Report 2012, the liabilities from acquisitions had been presented together with the other liabilities. This was retroactively adjusted in this interim financial report.

The following measurement methods were used for the financial assets and liabilities not recognised at fair value:

Class pursuant to IFRS 7	Measurement method
Time deposits: Life insurances	Redemption values plus credit value adjustments
Time deposits: Bond loans	Present values of the cash flows under consideration of the term-related and risk-weighted interest rates plus credit value adjustments
Long-term lendings (presentation under other financial assets)	
Loans	
Trade receivables	Due to the short terms to maturity, the fair values differ only insignificantly from the carrying amounts
Other financial assets	
Cash and cash equivalents	
Trade payables	
Other financial liabilities	

For the financial instruments accounted for at fair value, the following overview shows the material input factors on which the measurement is based. The individual levels are defined as follows in accordance with IFRS 13:

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

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

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

	30.09.2013				31.12.2012			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Securities	28,023	0	0	28,023	45,378	0	0	45,378
Financial derivatives	0	927	0	927	0	0	0	0
Financial liabilities								
Financial derivatives	0	1,550	0	1,550	0	406	0	406
Liabilities from acquisition	0	0	463	463	0	0	2,470 ¹	2,470

¹Presentation adjusted

The securities under Level 1 are listed on the stock exchange and have been recognised at the market price as of the balance sheet date. The financial derivatives included under Level 2 were determined with the aid of standardised mathematical models (mark-to-model method). These financial derivatives comprise currency forwards and interest rate swaps. Apart from the term-related interest rates and forward prices, the credit value adjustments were taken into account with the help of an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay.

The financial instruments included under Level 3 consist of contingent, additional purchase price payments (earn-outs) for acquisitions (IFRS 3.58). In the Annual Report as of 31 December 2012, these had been presented under other liabilities. The presentation was retroactively adjusted in this interim financial report. The fair value was determined with the help of the DCF method. Apart from the planned business development of the unit taken over, a term-related discount rate was used. The creditworthiness of the debtor BECHTLE (IFRS 13.42 ff) was taken into account via an overhead percentage method under consideration of the amount, the probability of default and the recovery rate in the event of inability to pay. The factor that has the greatest impact on the fair value is the planned business development. A target achievement of 100 per cent is assumed. If the achieved results are below 100 per cent, the amount to be recognised is reduced by more than half, as part of the liabilities from acquisitions do not take partial target achievement into consideration. These liabilities will reach maturity in 2014 to 2016.

Apart from the adjustment of the presentation of the liabilities from acquisitions, no reclassifications between measurements at fair value of Level 1 and Level 2 and no reclassification to or from measurements at fair value of Level 3 took place in the reporting period.

The financial instruments in Level 3 developed as follows:

Financial assets and liabilities in Level 3	01.01.2013	Total gains and losses		Additions	Compen- sation/ settlement	Reclassi- fication	30.09.2013
		Included in financial earnings	Included in other com- prehensive income				
Liabilities from acquisitions	2,470	17		168	-2,192		463



See Acquisitions,
Purchase Price
Allocation
and Divestments,
page 45 ff

IX. SEGMENT INFORMATION

The segment information is presented on the basis of the same principles as in the consolidated financial statements for the fiscal year 2012.



See page 32 f

Due to the retroactive adoption of IAS 19R, the prior-year figures and the figures as of the reporting date 31 December 2012 were adjusted.

	01.01–30.09.2013			01.01–30.09.2012		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
	By segments					
Total segment revenue	1,071,472	521,702		981,175	506,742	
less intersegment revenue	-1,725	-177		-2,055	-1,311	
External revenue	1,069,747	521,525	1,591,272	979,120	505,431	1,484,551
Depreciation/amortisation	13,504	3,329	16,833	13,272	2,798	16,070
Operating earnings	32,081	22,558	54,639	27,590 ¹	23,619 ¹	51,209 ¹
Financial earnings			-1,212			-808
Earnings before taxes			53,427			50,401 ¹
Income taxes			15,342			14,217 ¹
Earnings after taxes			38,085			36,184 ¹
Investments	12,313	4,608	16,921	16,259	6,861	23,120
Investments through acquisitions	2,390	0	2,390	4,196	0	4,196

¹ Figure adjusted due to adoption of IAS 19R

	30.09.2013			31.12.2012		
	IT system house & managed services	IT e-commerce	Total group	IT system house & managed services	IT e-commerce	Total group
	By segments					
Total segment assets	581,536	240,346		564,919 ¹	281,057 ¹	
less intersegment receivables	-170	-31		-179	-648	
Assets	581,366	240,315	821,681	564,740 ¹	280,409 ¹	845,149 ¹
Total segment liabilities	262,475	84,233		262,316 ¹	124,076 ¹	
less intersegment liabilities	-31	-170		-648	-179	
Liabilities	262,444	84,063	346,507	261,668 ¹	123,897 ¹	385,565 ¹

¹ Figure adjusted due to adoption of IAS 19R

€k

	01.01-30.09.2013			01.01-30.09.2012		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
External revenue	1,104,191	487,081	1,591,272	1,009,220	475,331	1,484,551
Investments	13,860	3,061	16,921	19,939	3,181	23,120
Investments through acquisitions	777	1,613	2,390	4,196	0	4,196

€k

	30.09.2013			31.12.2012		
	Domestic	Abroad	Total group	Domestic	Abroad	Total group
By regions						
Assets	581,629	240,052	821,681	588,565	256,584 ¹	845,149 ¹
Liabilities	264,484	82,023	346,507	274,566	110,999 ¹	385,565 ¹

¹ Figure adjusted due to adoption of IAS 19R



Segment information
on employees,
see page 50 f

X. ACQUISITIONS, PURCHASE PRICE ALLOCATION AND DIVESTMENTS

Viritim Systemhaus GmbH

As of the acquisition date 15 March 2013, the company acquired all interests in Viritim Systemhaus GmbH, Karlsruhe, Germany.

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

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer base (€125 thousand) and a non-compete agreement (€200 thousand) were newly recognised as identifiable assets (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€98 thousand) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of three years, and of the non-compete agreement, which is amortised over a period of two years.

Under consideration of the acquired total net assets (€234 thousand), the capital consolidation resulted in a difference of €434 thousand that is presented as goodwill.

By acquiring Viritim (10 employees), the BECHTLE Group has further expanded its collaboration competence that it built up by means of the acquisition of HanseVision GmbH and Redmond Integrators GmbH over the past two years. Viritim specialises in the Microsoft office technologies SharePoint and Exchange.

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

	€k
Non-current assets	
Goodwill	434
Other intangible assets	325
Property, plant and equipment	18
Total non-current assets	777
Current assets	
Trade receivables	130
Other assets	28
Cash and cash equivalents	97
Total current assets	255
Total assets	1,032
Non-current liabilities	
Deferred taxes	98
Total non-current liabilities	98
Current liabilities	
Trade payables	57
Income tax payables	48
Other provisions and liabilities	161
Total current liabilities	266
Total liabilities	364
Total assets	
- Total liabilities	
= Acquisition costs	668

The company purchase agreement for the acquisition of Viritim contains a contingent purchase price payment of up to €175 thousand, which depends on the acquired company's future business performance. Based on the validated business plan of Viritim, the fair value of this contingent purchase price payment on the acquisition date was €168 thousand.

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

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

Following the acquisition, Viritim was merged with the BECHTLE subsidiary HanseVision GmbH. Therefore, the revenue and earnings contributions of Viritim to the consolidated earnings cannot be determined separately.

Partial Business Operation Takeover of IBM Business Services GmbH and IBM Deutschland Mittelstand Service GmbH

As of the acquisition dates 1 April 2013 and 1 June 2013, BECHTLE took over partial business operations from IBM Deutschland GmbH in the field of managed services. The partial business operation of IBM Deutschland Business Services GmbH, which was acquired as of 1 April 2013, has 48 employees, and the partial business operation of IBM Deutschland Mittelstand Service GmbH, which was acquired as of 1 June 2013, has 10 employees.

The partial business operations were accounted for according to the purchase method (IFRS 3.4 ff) and must still be considered as provisional (IFRS 3.45). As the two partial business operation takeovers are closely linked and, considered individually, are immaterial to the BECHTLE Group, their presentation in the balance sheet as of the date of initial consolidation is summarised pursuant to IFRS 3.B65.

Both the employees and their working equipment were taken over. After a careful examination of the opportunities and risks, the customer service agreements were measured at a fair value of zero.

By taking over these subdivisions from IBM, the BECHTLE Group expands its managed services business. The employees taken over are active for customers on site throughout Germany.

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

	€k
Current assets	
Other assets	1,718
Total current assets	1,718
Total assets	1,718
Non-current liabilities	
Pension provisions	1,380
Other provisions	2
Other liabilities	19
Total non-current liabilities	1,401
Current liabilities	
Other liabilities	317
Total current liabilities	317
Total liabilities	1,718
Total assets	
- Total liabilities	
= Acquisition costs	0

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

Both business areas are integrated within BECHTLE Onsite Services GmbH. Therefore, the revenue and earnings contributions of these partial business operations to the consolidated earnings cannot be determined separately.

Sedna Informatik AG

As of the acquisition date 8 April 2013, all interests in the Swiss Sedna Informatik AG, headquartered in Gümliigen near Bern, were acquired.

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

Apart from the assets and liabilities already recognised by the acquired company, whose carrying amounts corresponded to their fair value, the customer base (€984 thousand) was newly recognised as an identifiable asset (IFRS 3.10 ff) and measured at fair value as of the acquisition date (IFRS 3.18 ff).

Deferred tax liabilities (€202 thousand) were recognised in connection with the capitalisation of the customer base, which is amortised over a period of five years.

Under consideration of the acquired total net assets (€2,085 thousand), the capital consolidation resulted in a difference of €580 thousand that is presented as goodwill.

By acquiring Sedna Informatik AG, BECHTLE further expands its own IT infrastructure competence with a qualified team. Sedna Informatik specialises in system integration and virtualisation.

	€k
Non-current assets	
Goodwill	580
Other intangible assets	984
Property, plant and equipment	49
Deferred taxes	40
Other assets	37
Total non-current assets	1,690
Current assets	
Trade receivables	1,284
Other assets	544
Cash and cash equivalents	1,512
Total current assets	3,340
Total assets	5,030
Non-current liabilities	
Deferred taxes	303
Total non-current liabilities	303
Current liabilities	
Other provisions	12
Financial liabilities	196
Trade payables	433
Income tax payables	140
Other liabilities	367
Accruals and deferrals	914
Total current liabilities	2,062
Total liabilities	2,365
Total assets	
- Total liabilities	
= Acquisition costs	2,665

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

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

In the reporting period, Sedna Informatik AG accounted for €5,418 thousand of the revenues and –€93 thousand of the earnings after taxes of the BECHTLE Group (IFRS 3.B64qj).

Had **Viritim and Sedna** been acquired at the beginning of the reporting period, the revenues of the BECHTLE Group for the reporting period would have amounted to €1,595 million. Earnings after taxes would not have changed and would have amounted to €38 million (IFRS 3.B64qii). No revenue and earnings data are available for the partial business operations of IBM Deutschland prior to the acquisition date.

When it purchased **SolidLine AG**, Walluf, Germany, in the fiscal year 2011, BECHTLE had assumed a contractual obligation to pay a contingent additional purchase price amounting to a total of up to €1,692 thousand. In the fiscal year 2012, an initial part of this amount had already been settled and paid out (€1,000 thousand). The second part of up to €692 thousand was settled in the first quarter of 2013. This payment resulted in a cash outflow (€692 thousand). The sellers were entitled to the maximum amount. The difference between the fair value determined for this purpose at the initial consolidation plus the interest and the actual amount had already been recognised through profit and loss in the fiscal year 2012 when the liability became known.

When it purchased **HanseVision GmbH** in the fiscal year 2011, BECHTLE had assumed a contractual obligation to pay a contingent additional purchase price amounting to a total of €1,500 thousand. This amount was settled in the second quarter of 2013. The payment of €1,500 thousand corresponds to the fair value recognised for this at the initial consolidation plus interest for the period from the date of acquisition to the date of payment.

The partial business operation “**Distribution**” including the associated customer base of the online shop of Coma Service AG, Bremgarten, Switzerland, was sold as of 30 June 2013. This partial business operation had four employees. The partial business operation had belonged to the IT system house & managed services segment (cash-generating unit IT system house & managed services). The sale resulted in a capital gain of €122 thousand that was presented under other operating income. Inventories worth €211 thousand were sold. The sale resulted in a cash inflow amounting to €333 thousand. Considered individually, the revenue and earnings contribution of this partial business operation was immaterial in the fiscal year 2012 and until the sale in 2013. The sale of this partial business operation does not necessitate any impairment of the goodwill of the cash-generating unit IT system house & managed services.

XI. EMPLOYEES

The employee numbers were as follows:

	30.09.2013	31.12.2012	01.01- 30.09.2013	01.01- 30.09.2012
Full-time/part-time employees	5,556	5,438	5,514	5,275
Trainees	480	428	401	343
Employees on parental leave	114	104	111	103
Temporary staff	188	140	165	143
Total	6,338	6,110	6,191	5,864

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

	30.09.2013	31.12.2012	01.01– 30.09.2013	01.01– 30.09.2012
IT system house & managed services	4,895	4,754	4,789	4,503
Domestic	4,287	4,104	4,167	3,871
Abroad	608	650	622	632
IT e-commerce	1,255	1,216	1,237	1,218
Domestic	444	446	448	445
Abroad	811	770	789	773

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

	30.09.2013	31.12.2012	01.01– 30.09.2013	01.01– 30.09.2012
Services	2,799	2,718	2,768	2,581
Sales	1,830	1,784	1,816	1,753
Administration	1,407	1,364	1,331	1,284



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Annual Report 2012,
page 206

XII. ORGANS

The elections resulted in the following changes in the staffing of the Supervisory Board:

On 28 May 2013, the employees elected the employee representatives on the Supervisory Board of BECHTLE AG. The representatives Uli Drautz (executive employee) and Daniela Eberle (employee) were confirmed. Martin Meyer (employee) and Volker Strohfeld (IT service engineer) were newly elected and have thus served as members of the Supervisory Board since 18 June 2013. Barbara Greyer, labour union secretary of ver.di state district Baden-Württemberg, was confirmed as labour union representative. Michael Unser, second representative of IG Metall Heilbronn-Neckarsulm, was newly elected as labour union representative on the Supervisory Board.



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as of 30 June 2013,
page 20

Jürgen Ergenzinger, Sonja Glaser-Reuss and Siegfried Höfels departed from the Supervisory Board as of the end of the Annual General Meeting on 18 June 2013.

Moreover, the shareholder representatives were elected at the Annual General Meeting on 18 June 2013. Kurt Dobitsch (businessman), Prof. Dr. Thomas Hess (institute director), Dr. Walter Jaeger (merchant), Karin Schick (employee), Klaus Winkler (director) and Dr. Jochen Wolf (director) were re-elected.

At its constituting meeting on 18 June 2013, the Supervisory Board confirmed Klaus Winkler as Chairman of the Supervisory Board. Uli Drautz was re-elected as Vice-Chairman of the Supervisory Board, and Dr. Jochen Wolf as the second Vice-Chairman.

XIII. NOTEWORTHY EVENTS AFTER THE REPORTING PERIOD

As of the acquisition date 7 October 2013, the company acquired all interests in the Austrian Sitexs Databusiness IT-Solution GmbH, headquartered in Wien, Austria.

In the balance sheet, the acquisition will be recognised according to the purchase method (IFRS 3.4 ff). Due to the short time and the complexity, the identification and measurement of the assets acquired, of the liabilities assumed and of the consideration paid is not yet available (IFRS 3.B66). Provisional values are expected to become available by the annual financial statements as of 31 December 2013 (IFRS 3.45).

By acquiring Sitexs (about 70 employees), Bechtle is substantially expanding its market presence with one of Austria's leading IT system integrators and security specialists. Sitexs, which has a firm foothold on the market, has sites in Wien, Graz, Götzis, Innsbruck and St. Pölten.

Citing personal family reasons, Klaus Winkler submitted his resignation as Member and Chairman of the Supervisory Board of BECHTLE AG on 31 October in compliance with the one-month notice period required by the company's Articles of Incorporation. Mr Winkler has been on the BECHTLE AG supervisory board since May 1999. For the period until the Annual General Meeting in the coming year (5 June 2014), a new member of the Supervisory Board is to be appointed by court order pursuant to Section 104 of the German Stock Corporation Act (AktG). The Executive Board has requested a court order for the appointment of the current Honorary Chairman of the Supervisory Board, Gerhard Schick as member of the Supervisory Board. The Supervisory Board decided to support the request and to elect Mr Schick as Chairman of the Supervisory Board should his appointment be confirmed.

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

Neckarsulm, 13 November 2013

BECHTLE AG
The Executive Board

RESPONSIBILITY STATEMENT BY THE EXECUTIVE BOARD

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

Neckarsulm, 13 November 2013

BECHTLE AG

The Executive Board



Dr. Thomas Olemotz



Michael Guschlbauer



Jürgen Schäfer

AUDITING INFORMATION

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

FINANCIAL CALENDAR**Interim Report 3rd Quarter 2013 (30 September)**

Thursday, 14 November 2013

Conference call with analysts, investors and media

Annual Report 2013

Tuesday, 18 March 2014

Accounts Press Conference

Tuesday, 18 March 2014, Stuttgart

DVFA Analysts' Conference

Tuesday, 18 March 2014, Frankfurt (Main)

Interim Report 1st Quarter 2014 (31 March)

Wednesday, 14 May 2014

Conference call with analysts, investors and media

Annual General Meeting

Thursday, 5 June 2014, 10.00 a.m.

Konzert- und Kongresszentrum Harmonie, Heilbronn

Dividend Payment

as of 6 June 2014 (subject to approval by the Annual General Meeting)

Interim Report 2nd Quarter 2014 (30 June)

Friday, 8 August 2014

Conference call with analysts, investors and media

Interim Report 3rd Quarter 2014 (30 September)

Wednesday, 12 November 2014

Conference call with analysts, investors and media

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

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YEARS

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1983-2013

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Today and tomorrow.

