

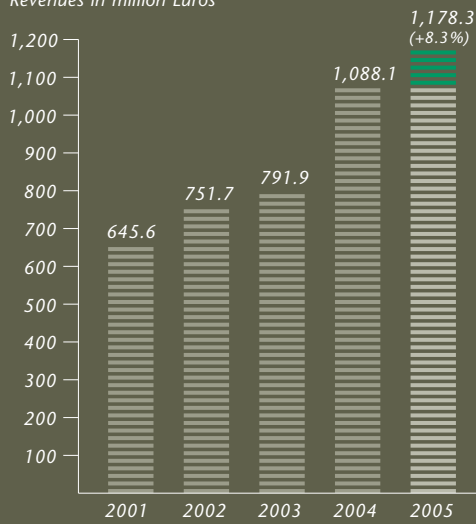
2005



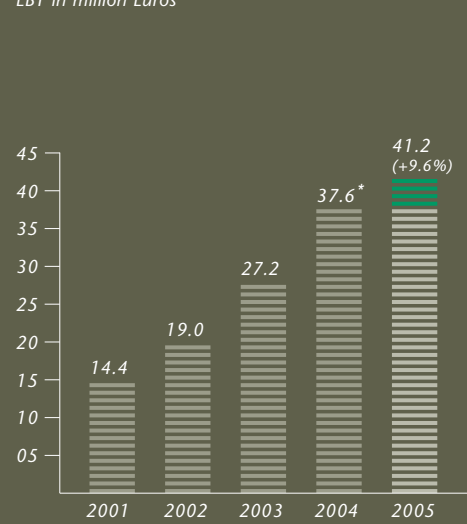
team culture, team strength, team building, expert team, team result, team player, sales team, team orientation, team commitment, team experience, team selection, team person, core team, team trophy, teamable, top-team, *team spirit*, team leader, team effort, team play, team force, team member, team theory, management team, team mate, team objectives, founder team, team work, team knowledge, operating team, team captain, team cooperation, team success. Together. We Achieve More.

Revenues // EBT

Revenues in million Euros

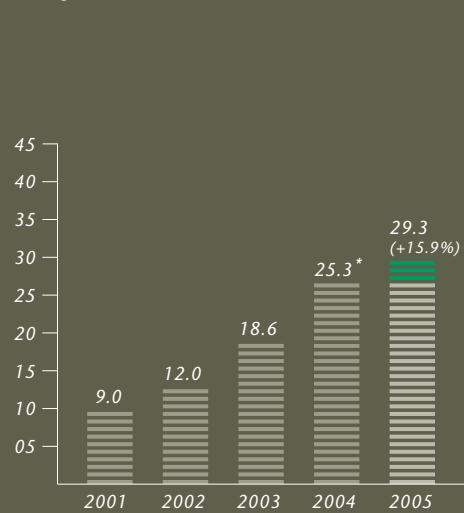


EBT in million Euros

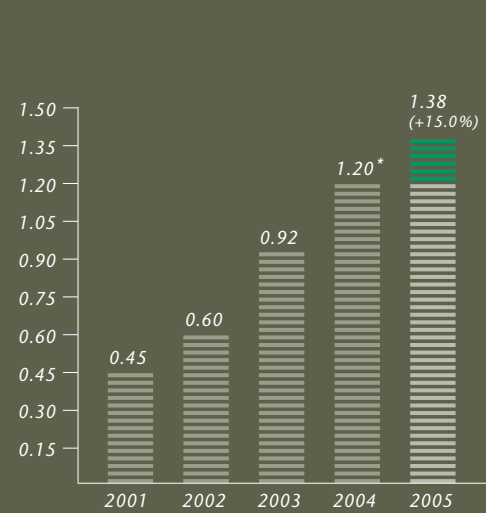


Earnings after tax // EPS

Earnings after tax in million Euros

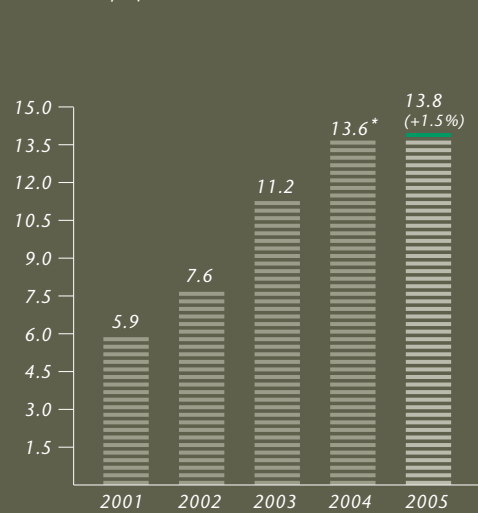


EPS in Euro

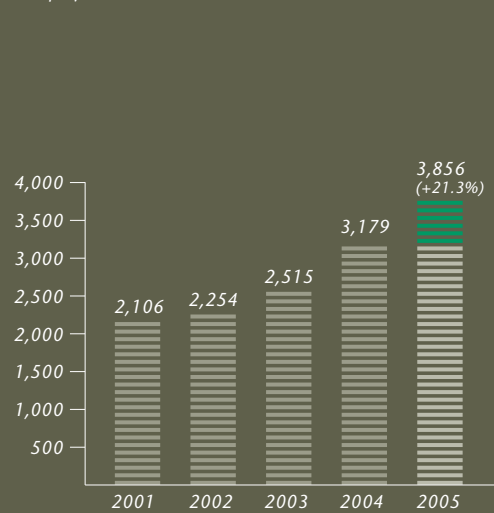


Return on Equity // Employees

Return on Equity in %



Employees



* without special item

// THE BECHTLE GROUP IN A FIVE-YEAR COMPARISON

According to IFRS ¹⁾							
		2001	2002	2003	2004	2005	Change in % 2004-2005
Income statement							
Revenues	th. Euros	645,588 ²⁾	751,709	791,907	1,088,133	1,178,269	8.3
IT System House	th. Euros	488,291	557,919	602,951	729,981	811,042	11.1
IT E-commerce	th. Euros	157,297	193,790	188,956	358,152	367,227	2.5
EBITDA	th. Euros	24,264	27,012	34,848	48,965 ³⁾	53,121	8.5
IT System House	th. Euros	18,172	19,677	24,137	25,576	27,510	7.6
IT E-commerce	th. Euros	6,092	7,335	10,711	23,389	25,611	9.5
EBIT	th. Euros	13,140	18,418	27,051	37,747 ³⁾	41,195	9.1
IT System House	th. Euros	7,971	11,919	17,182	17,812	18,607	4.5
IT E-commerce	th. Euros	5,169	6,499	9,869	19,935	22,588	13.3
EBT	th. Euros	14,423	18,987	27,240	37,564 ³⁾	41,172	9.6
Earnings after tax	th. Euros	9,006	12,001	18,571	25,274 ³⁾	29,286	15.9
Earnings per share	Euro	0.4461	0.5956	0.9171	1.1989 ³⁾	1.3791	15.0
Consolidated balance sheet							
Shareholders' equity	th. Euros	160,671	164,213	180,838	217,161	237,447	9.3
Balance sheet total	th. Euros	229,274	246,755	278,484	385,862	413,946	7.3
Financial position and liquidity							
Cash Flow from operating activities	th. Euros	17,584	13,943	27,535	46,690	28,822	-38.3
Working capital	th. Euros	66,768	76,959	78,652	89,920	109,104	21.3
Net liquidity ⁴⁾	th. Euros	41,200	37,867	33,694	65,793	51,914	-21.1
Operating figures							
Return on revenues	%	1.4	1.6	2.3	2.3 ³⁾	2.5	7.0
Revenues per employee	th. Euros	353.2	369.0	338.1	363.2	345.9	-4.8
Dividend per share	Euro	0.25	0.25	0.30	0.40	0.50 ⁵⁾	25.0
Dividend payment ratio	%	45.0	69.5	80.3	73.8	78.4	6.2
Cash Flow per share	Euro	0.87	0.69	1.36	2.22	1.36	-38.7
Return on equity	%	5.9	7.6	11.2	13.6 ³⁾	13.8	1.5
Equity capital ratio	%	70.0	66.6	64.7	56.3	57.4	1.9
Return on total assets	%	4.9	5.6	7.5	8.0 ³⁾	8.3	3.8
Market capitalisation as of 31.12.	th. Euros	167,458	134,199	206,040	348,740	347,680	-0.3
Number of employees as of 31.12. ⁶⁾		2,106	2,254	2,515	3,179	3,856	21.3
IT System House		1,881	2,022	2,252	2,592 ⁷⁾	3,194 ⁷⁾	23.2
IT E-commerce		225	232	263	587 ⁷⁾	662 ⁷⁾	12.8

The glossary describes the financial figures calculation 1) information on transition of the consolidated annual accounts 2004 from U.S. GAAP to IFRS see notes 2) adjusted figure 3) without special item 4) incl. marketable securities 5) proposal to the general shareholders' meeting 6) including trainees 7) the employees of the central service units are allocated pro rata by revenue to the segments

// REVIEW BY QUARTER 2005

in th. Euros					
	1st quarter	2nd quarter	3rd quarter	4th quarter	2005 financial year
	1 January to 31 March 2005	1 April to 30 June 2005	1 July to 30 Sept. 2005	1 October to 31 Dec. 2005	1 January to 31 Dec. 2005
Revenues	254,748	275,065	288,070	360,386	1,178,269
EBITDA	10,552	8,176	14,755	19,638	53,121
EBIT	8,103	4,990	11,934	16,168	41,195
EBT	8,095	5,029	11,919	16,129	41,172
Earnings after tax	5,094	3,313	7,753	13,126	29,286

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* Put a name to the face ... of the Bechtle employees featured on pages 14 to 25.

// HIGHLIGHTS 2005

January

NEW BRANCH FOUNDED IN BONN
Bechtle strengthened its position in the North Rhine-Westphalia region with the establishment of a new IT system house in Bonn, taking on a well-established team of around 40 employees from a competitor that had filed for insolvency.

01



New branch founded in Bonn



Bechtle at No. 1



07

July

ACQUISITION OF PP 2000
The IT system house PP 2000 Business Integration AG in Stuttgart, established 1991, strengthens the Bechtle Group's nationwide activities in the IT service sector. .

RANKING 2005: BECHTLE AT No. 1
Bechtle topped the annual ranking list of the 25 largest German system houses published by the ComputerPartner trade journal for the first time.

February

VMWARE RESELLER OF THE YEAR
The Bechtle IT system house Munich / Regensburg received the Channel Award 2004 for Central Europe of VMware. This accolade is recognition of Bechtle's specific know-how in the area of server virtualisation.

02



Channel Award



Visit of the company headquarters



08

August

FIRST BECHTLE SHAREHOLDERS' DAYS
Approximately 150 shareholders took the opportunity to visit the company headquarters and get a better idea of Bechtle during the Bechtle Shareholders' Days.

March

ACQUISITION OF SWISS COMPANY CDC
The CDC IT AG has been added to the Bechtle Group. The system house is based in Thalwil and operates with three further branches in Switzerland.

BECHTLE CC Day
Around 600 customers, suppliers, partners and employees were present at the first "Bechtle CC Day" on March 8th 2005. CC stands for Competence Centre and Bechtle has 20 across the group.

GERMAN FEDERAL CROSS OF MERIT
Gerhard Schick was awarded the German Federal Cross of Merit for his achievements as a businessman and for his high level of social commitment.

03



Gerhard Schick
German Federal Cross of Merit



60 apprentices



09

September

HIGH NUMBER OF TRAINEES
60 apprentices started their 20 different training schemes at Bechtle on September 1st 2005. By the end of the year Bechtle was able to boast a total of 216 trainees.

HP PARTNER CONFERENCE IN LAS VEGAS
The sales strategy in Germany was the focus topic of a meeting held between the Bechtle Management and Mark Hurd, CEO and President of Hewlett-Packard.

April

ACQUISITION OF SWISS COMPANY DELEC
With the takeover of Delec AG, Bechtle acquired one of the largest IT system integrators in Switzerland. In addition to its head office in Gümligen near Bern, the company, which was founded in 1984, also has two further company locations.

ACQUISITION OF CPS
The compartner systems GmbH system house group supplements the Bechtle Group with branches in Ratingen, Rheinbach and Wangen.

COMMERCIAL PARTNER OF THE YEAR
Cisco Systems honoured Bechtle's achievements by choosing the system house as its Commercial Partner of the Year for the EMEA region (Europe, the Middle East and Africa).

04



Commercial Partner of the year

Meeting with Steve Ballmer



10

October

STRATEGIC AGREEMENT WITH IBM
About 100 members of staff from IBM transferred to Bechtle upon finalisation of the contract to take over the IBM Deskside Support Services division. They are responsible for the on site service and support of some 50 000 customer PC workstations.

MEETING WITH MICROSOFT BOSS STEVE BALLMER
At an informal meeting in Munich, Ralf Klenk and Steve Ballmer discussed a mutual strategy for the mid-sized segment. Bechtle is the largest area-wide Microsoft Support Partner for mid-sized companies in Germany.

10 YEARS OF BECHTLE ONLINE
Anniversary: The Bechtle online shop opened on October 13th 1995. Today every second order is placed online.

May

CO-OPERATION WITH SAGEM
Bechtle agreed on a strategic partnership with Sagem, one of the leading mobile telephone and broadband communication manufacturers worldwide.

05



Co-operation with SAGEM

Bechtle in the „Preferred Partner Program“



11

November

HP PREFERRED PARTNER PROGRAM
Bechtle fulfilled the demanding requirements for the new "HP Preferred Partner Program". Bechtle is one of the highest selling HP partners in Germany as well as one of the largest e-commerce partners Europe-wide.

EMC VELOCITY SIGNATURE PARTNER
As an EMC Velocity Signature Partner, Bechtle has achieved the highest partner status possible with the leading global networked storage system manufacturer.

GERMAN EQUITY FORUM, AUTUMN 2005
Bechtle made use of the equity forum in Frankfurt organised by the Deutsche Börse Group and KfW Mittelstandsbank as a platform for presenting the company strategy to a large audience of financial experts.

June

OVERWHELMING AGREEMENT AT THE GENERAL SHAREHOLDERS' MEETING
With around 600 shareholders, just under 65 percent of the share capital was present at the General Shareholders' Meeting. All points on the agenda were agreed to with a huge majority and the dividend increase to 40 cents was approved, among other matters.

MICROSOFT GOLD CERTIFIED PARTNER
Microsoft awarded the Bechtle IT system houses in Zurich, Basle and Geneva the highest status available in their Partner Programme. Bechtle has been made Gold Certified Partner five times in total across the whole group.

06



Award

Ralf Klenk appointed to the University Supervisory Board



12

December

RALF KLENK APPOINTED TO THE UNIVERSITY SUPERVISORY BOARD
The Heilbronn University senate appointed Ralf Klenk to the Supervisory Board. There has already been previous close contact due to innovative university projects.

ACQUISITION OF DUTCH COMPANY ARTIKONA
With effect from January 1st 2006, the Bechtle Group acquired the Maastricht and Amsterdam based operative subsidiaries of the Dutch company Artikona Holding B.V. The retail company focuses on sales of high margin IT accessory and consumable products.

// LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS,

If asked to define the 2005 financial year, I would call it the “year of reversed expectations”, in view of our own market activities and those of the entire market segment.

At the start of the year, we initially had no definite plans to expand the Bechtle Group, but the excellent opportunity arose to strengthen our market position by obtaining highly qualified personnel and good, solid companies. We completed four acquisitions and established one company, thus enhancing our workforce by 600 employees in 15 locations in Germany and Switzerland. In addition, with the takeover of Deskside Support Services from IBM, we succeeded in acquiring some 100 IT professionals to optimally position Bechtle for continued growth in the Managed Services (IT outsourcing) business sector, an important area in the future.

In the past year we once again made considerable progress that will stand us in good stead for the future.

Market performance in our segment in 2005 was again disappointing. It remained clearly below initial forecasts by market researchers. The noticeable fourth quarter upswing came too late to balance the weak performance in the first three quarters, and we therefore had to adjust our revenue forecast from originally 1.3 billion euros to 1.15 – 1.18 billion euros. Similarly, we adjusted our pre-tax earnings from a targeted at least 42 million euros to 40 million euros.

Thanks to our final quarter leap, we finished strongly, generating 1.18 billion euros in revenues and 41.2 million euros in pre-tax earnings. This amounts to an increase of 8.3 percent in revenues and 9.6 percent in earnings in the 2005 financial year, a result which is all the more remarkable considering that we out-performed our own market segment more than twofold. Incidentally, these figures represent the strong dynamic in the last quarter, especially in December.

Performance has risen steadily since Bechtle was established 23 years ago and 2005 is no exception, with revenues and earnings hitting a new record high.

It is our wish to share this excellent result with our shareholders. The Supervisory Board and the Executive Board will therefore propose to the General Shareholders' Meeting on 20 June that the dividend be increased by a fourth to 0.50 euros per share – the third increase in a row. We are thus adhering to our progressive and consistent policy of paying dividends to our shareholders each year. For the 2005 financial year, we are offering a 3 percent dividend yield, the highest rate offered by any TecDax company.

In terms of our company's performance on the stock market, 2005 was disappointing. Our share price basically remained the same, closing at year's end with a slight loss of 0.3 percent. Surely not a satisfactory result, but I'm inclined to believe that the stock market reacts over-sensitively to quarterly figures, which is not always compatible with future-oriented, corporate decision-making. Bechtle shareholders can be confident that their company will always be run with the long-term insight of an entrepreneur and not with the short-term resolve of a manager – especially in difficult economic times.

I believe that in a weak economic environment, strong companies can exploit the situation by acquiring other companies, a strategy that, although admittedly against the general trend, can profoundly reduce quarterly or even year-end results. This shouldn't stop us though from securing a long-term competitive edge. In 2005, we did just that.



CHAIRMAN OF THE EXECUTIVE BOARD OF *Bechtle AG* // *Ralf Klenk*

We take measures to strengthen our market position because in the future, companies that stay ahead of the competition will be offering competitively priced complete solutions.

Today, no private company or public agency can compete without specialised – and often highly complex – information technology systems, which is why the demand for IT experts such as Bechtle is rapidly increasing. Customers want more than technology, they want to profit from IT systems and expect tailor-made solutions along with personal customer service from one source. This is where Bechtle comes in.

We help companies turn IT into profits by making business processes lean, faster, and more economical.

Another crucial aspect is sustained service performance. Companies that understand the importance of IT look for service partners they can rely on in the future, such as Bechtle AG. We have the size as well as the years of experience to ensure it stays that way.

Today, our market position is excellent due to our market presence strategy and our competence centres. By utilising synergy effects in our 62 system houses and 20 competence centres, we offer a high level of expertise in a wide variety of special fields and in-depth coverage of selected IT areas. All things considered, I can say that we have a strong base: our financial position is solid, we offer a unique combination of sales and services, we have organised a tight operational structure, we have high market coverage, and our employees are among the best in the business. As soon as the economy picks up, we will immediately set about exploiting our potential.

The outlook for 2006 makes us confident, but not overly so.

Due to the pending economic upswing, the need to replace obsolete IT systems, and the implementation of new, strict regulations (Basel II), company-wide IT investments are expected to increase. Nevertheless, it is probably still too early to count on a strong tailwind for 2006.

What are our plans for 2006? After a long period of sustained growth, the current financial year will focus on consolidation efforts. It will be a year for self-evaluation and setting new goals in order to utilise our self-generated potential for future growth. This, of course, does not imply that we intend to take a rest – on the contrary. We intend to gain a larger share of the market in 2006 and increase revenues by 6-10 percent of 1.25 to 1.3 billion euros. We expect pre-tax earnings to level out at last year's amount.

The integration of the large number of companies acquired will temporarily bind management resources in the system house sector – a temporary drawback, but we are moving in the right direction. Within our commerce segment we aim to continue the internationalisation of our subsidiary

ARP Datacon this year. The required technology for a scalable online-platform should be completed by mid 2006, and we can therefore further develop our multiple-brand strategy within IT e-commerce. In the medium term we plan to introduce both brands in the nine countries where *Bechtle direct* already has a share in the market.

In 2006 we will take on the most comprehensive management restructuring measures carried out since Bechtle AG was established.

Responsible and efficient leadership requires that we adapt our management structure to the many acquisitions and start-ups that have enlarged our company. We want to grow in a sustainable, value-oriented manner and therefore must make sure that all levels of management are prepared for future challenges. At this point I would only like to mention the most important aspects of the new structure. Further information can be found in the "Supplementary Report".

First, our new management structure will strengthen one of our most important instruments for sustained success – Bechtle's decentralised organisation structure. We plan to create a management board consisting of regional managers who assume responsibility for all regional operations. Responsibility for corporate strategy continues to remain with the Executive Board.

Within the system house sector, the most challenging to manage because of its decentralised structure, regional managers will each be responsible for a specific area (divided into the regions North/East, Central, South Germany and Switzerland). In addition, we have now set up two areas of responsibility at management level catering for the needs of public sector customers and special business units within Bechtle, such as service and software system providers. Within the e-commerce segment, the two brands *Bechtle direct* and *ARP Datacon* will be completely separate entities. Moreover, the new organisational structure will provide for a CFO responsible for all EU regional companies and Group consolidation as well as a CFO that will have finance responsibility for all Swiss companies. With these measures, we have created a management structure that is consistent with our company's size and yet remains lean and flexible. All regional managers report directly to the Executive Board and together form Bechtle's management team.

"Team" brings me to my next point.

The term "team spirit" in this annual report was chosen as our slogan to express that even if our business is information technology, it is the people at Bechtle that ultimately define our company.

This is why Bechtle's success always results from the performance of excellent teams. I therefore would like to thank all employees most sincerely for their dedicated and strong performance. Their commitment, skill and professionalism will be a principal growth driver for Bechtle in the future.

I sincerely thank all members of the Supervisory Board for their excellent cooperation. Their experience and constructive dialogue provided the Executive Board with valuable support in the performance of its day-to-day activities.

On behalf of my colleagues, Board members Gerhard Marz and Juergen Schaefer, and myself, may I express my sincere thanks for the trust that you as shareholders have placed in us. You have every right to expect Bechtle's earnings and revenues to grow steadily in the future and that your investment will generate sustained profits. We work hard to achieve this goal and look forward to your continued support in the future. We are convinced that our company philosophy for future success and the decisions we take will make your investment worthwhile.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ralf Klenk', written in a cursive style.

Ralf Klenk
Chairman of the Executive Board

PS To give you an idea of Bechtle's team spirit, take a look at pages 14 -25. There you will see some of our employees at work at the different locations.

// REPORT OF THE SUPERVISORY BOARD

In the 2005 financial year, the Supervisory Board took a detailed look at the company's situation and carried out the tasks incumbent upon it by law and under the terms of the company constitution. It regularly advised the Executive Board concerning the management of the company and supervised the conduct of its affairs. The Supervisory Board was directly involved in all important business transactions and strategic decisions.

The Executive Board regularly kept the Supervisory Board thoroughly informed and up to date, both verbally and in writing, on all relevant questions of company planning and strategic direction, on the progress of transactions and the Group's situation as well as on the situation of risk and on risk management. The company's strategic development was discussed and agreed with the Supervisory Board. All business operations of importance to the Group were thoroughly discussed and subsequently reviewed on the basis of the Executive Board's reports. The Supervisory Board Chairman also maintained regular close contact with the Executive Board outside meetings of the Supervisory Board and was kept informed of the day-to-day development of the business situation and important business transactions, by telephone, in writing and in direct dialogue. He visited the location during the period under review regularly and informed himself about significant business transactions through the inspection of documents as well as meetings with board members and senior staff. He also satisfied himself as to the completeness and correctness of the information provided by the Executive Board and reviewed the proposed business policy, fundamental questions of company planning, possible deviations from plan, as well as individual business transactions with a potentially major impact on the profitability and liquidity of the company. No cause for objection was found. The Chairman gave a full account to the Supervisory Board at their next meeting.

MEETINGS AND KEY ISSUES

There were four regular meetings in the course of the accounting year: on 1 February, 22 March, 27 July and 25 October. No extraordinary meetings were convened. The Supervisory Board also received detailed information between meetings from the Chairman of the Executive Board on all projects and plans of special importance to the company or requiring urgent attention. Where necessary, resolutions were adopted by written consent.

All measures and transactions requiring the consent of the Supervisory Board were discussed in detail during Supervisory Board meetings. At its balance sheet meeting, the Supervisory Board approved the previous year's annual accounts and consolidated financial statements, agreed to the proposal for utilisation of net earnings and adopted the corporate plan for 2005. Topics discussed in the year

under review included in particular the companies acquired over the course of the year and the establishment of a new System House. The Supervisory Board made an in-depth analysis of each of the companies concerned based on its own extensive experience in the acquisition of companies.

A regular part of the discussions also included continuous briefing regarding the development of earnings and revenues of Bechtle AG and consolidated companies. In this context, key corporate data as well as financial and investment plans were discussed in detail and reviewed according to its own benchmarks. The Executive Board also illustrated in detail the deviations from business performance forecasts. The basic issues discussed at the plenary meetings included questions relating to the development of the group, implementation of the German Corporate Governance Code and the efficiency review of the Supervisory Board. Where required by the applicable legal and statutory provisions, the Supervisory Board cast a vote after careful review and deliberation of the reports and draft resolutions submitted by the Executive Board.

COMMITTEES

The Supervisory Board appointed two committees. The Balance Sheet and Accounts Committee met on 2 March, 22 March and 25 October 2005. It executes the tasks of the Audit Committee and was mainly concerned with the switch in accounting standards from U.S. GAAP to IFRS in the year under review. Otherwise the focal of deliberations was on discussions of the quarterly reports, preparatory examination of the annual accounts and consolidated financial statements, as well as a review of the Group's risk management system. The committee also dealt with matters relating to transactions requiring consent – such as acquisitions and long-term contracts – as well as questions of corporate governance. In addition, various resolutions were adopted by written consent.

The Personnel Committee convened on 22 June and basically dealt with questions of remuneration in connection with Executive Board contracts. The subject of deliberations was also the legal dispute between Bechtle AG and a Executive Board member who left the company in 2004. This was resolved successfully in the financial year 2005.

The Balance Sheet and Accounts Committee is chaired by the Chairman of the Supervisory Board and the Personnel Committee by Dr. Jochen Wolf. The Supervisory Board was informed in depth about the work of both committees at the plenary meetings. It was not necessary to convene the Mediation Committee in 2005 in accordance with Article 27 Paragraph 3 of the German Co-Determination Act.



CHAIRMAN OF THE SUPERVISORY BOARD OF *Bechtle AG* // *Gerhard Schick*

APPOINTMENT OF SUPERVISORY BOARD AND EXECUTIVE BOARD MEMBERS

There were no changes to the Supervisory Board and Executive Board of Bechtle AG in 2005. The term of office for Supervisory Board members expires at the end of the General Shareholders' Meeting, which decides on formal approval of their activities for the financial year 2007.

CORPORATE GOVERNANCE

The Supervisory Board dealt with the rules of the Corporate Governance Code and in particular with the amendments in the version of 2 June 2005. To verify compliance with the German Corporate Governance Code, the Supervisory Board reviewed implementation of the Code's recommendations at Bechtle AG. During the meetings in February 2005 and March 2006, the Supervisory Board and the Executive Board renewed the Declaration of Compliance in accordance with Article 161 of the AktG (German Companies Act). Both boards expressly confirmed their commitment to transparent, responsible and value added management and control of the company. Any deviations from the Government Commission's recommendations are explained in the "Corporate Governance Report" on pages 30-35. The Declaration of Compliance has also been published on Bechtle's website.

AUDIT OF ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS 2005

Ernst & Young AG, Heilbronn, were chosen by the General Shareholders' Meeting as auditors of the annual accounts and consolidated financial statements for the 2005 financial year. After receiving their mandate from the Supervisory Board, they audited the annual accounts of Bechtle AG, the consolidated financial statements as well as the management report for Bechtle AG and the Bechtle Group for the 2005 financial year, including accounting practice and the early risk recognition system, and gave an unqualified attestation. The consolidated financial statements of Bechtle AG were drawn up in accordance with IFRS. The auditors confirmed that these consolidated financial statements comply with the conditions for an exemption from preparing annual accounts in accordance with German Law.

Details of the accounts, the Executive Board's proposal for utilisation of net earnings, as well as the auditors' reports were sent to the members of the Supervisory Board immediately after their completion and also discussed extensively by the Balance Sheet and Accounts Committee and the Supervisory Board as a whole. The auditors took part in the balance sheet meeting of 28 March 2006 and reported in detail on key items of the audit and the most essential audit results. They were also available to provide supplementary information.

The Supervisory Board approved the auditors' results, after completing its own examination. After drawing up the final result of the examination by the Balance Sheet and Accounts Committee and the Supervisory Board, the Supervisory Board subsequently approved the annual accounts and consolidated financial statements prepared by the Executive Board during the balance sheet meeting of 28 March 2006. The annual accounts of Bechtle AG have thus been adopted. The Supervisory Board agreed to the Executive Board's proposal for utilisation of balance sheet net earnings.

The Supervisory Board is convinced that the strategic focus, business model, market position and sound financial position form a favourable basis for the company's continued success in the future. The Supervisory Board wishes to express its thanks to the Executive Board and all members of staff and its appreciation for their successful work during the accounting year. It also would like to thank the shareholders for their trust and confidence.

On behalf of the Supervisory Board

Gerhard Schick
Neckarsulm, 28 March 2006



EXECUTIVE BOARD of Bechtle AG // Juergen Schaefer, Ralf Klenk, Gerhard Marz

// EXECUTIVE BOARD PROFILES

RALF KLENK //

Chairman and CEO, responsible for finances, business planning, communications, personnel and IT

Born in 1958. Ralf Klenk was co-founder and first employee of Bechtle GmbH in 1983. After completing his studies in mechanical engineering, he built the company into Germany's leading IT system house with his business partner Gerhard Schick, the current Chairman of the Supervisory Board. He has been the Chairman and CEO of Bechtle AG since March 2004.

GERHARD MARZ //

responsible for the IT system house division and competence centres

Born in 1956. After spending ten years in industry, Gerhard Marz was the managing director of a system house specialising in software before joining Bechtle in 1996. The qualified electrical engineer spent eight years as managing director at the Bechtle IT system house in Mannheim. Gerhard Marz has been a member of the Executive Board of Bechtle AG since March 2004.

JUERGEN SCHAEFER //

responsible for IT e-commerce Europe, plus Logistics & Service

Born in 1958. After completing his business administration studies and spending some time in a medium-sized wholesale company, Juergen Schaefer joined Bechtle in 1989. He was responsible for the purchasing and organisation division, then became managing director of the Bechtle IT system house in Wuerzburg. He subsequently set up the successful *Bechtle direct* retail company, was then responsible for the Europe-wide expansion and merger of all retail processes into the Bechtle Logistics & Service business unit. He has been a member of the Executive Board of Bechtle AG since March 2004.

“Each of our employees ensures that more than 25,000 customers find in Bechtle a competent and reliable partner.”

RALF KLENK

“We don't just work for our customers, but primarily in co-operation with them”

GERHARD MARZ

“We are the only IT service provider in Europe capable of offering prices and availability status for the entire product portfolio that are updated on a daily basis.”

JUERGEN SCHAEFER

// CORPORATE PROFILE

Bechtle's unique business concept combines the service and solution-based system house sector with direct sales of commercial IT products throughout Europe.

The Bechtle system houses offer SMBs, large corporate groups, financial services providers and public institutions seamless support in all aspects of IT infrastructure and applications. This includes IT strategy consultancy services, the supply of hardware and software, system integration and a wide range of IT services and training courses. With a network of 62 system houses providing full coverage in Germany and Switzerland, Bechtle ensures that it is never far from its customers. Experts in 20 competence centres provide support to complement the range of products and services available from the individual system houses – this includes expertise in special fields such as IT security, storage or mobile computing. In a total of 18 training centres, Bechtle also offers practice-based seminars, workshops and training courses.

Under the *Bechtle direct* and *ARP Datacon* brands, the retail division sells some 26,000 IT products via the telephone, catalogue and Internet in nine Western European countries. One of the big benefits of the online portal is that the prices and availability status of all the products Bechtle offers are updated daily. This is something that no other provider can match anywhere in Europe. The product portfolio extends from printer cartridges to servers, and includes all the branded IT products available in Europe. With company-specific shopping baskets and paperless order processing, Bechtle also helps to reduce the customer's processing costs for the purchase of IT products

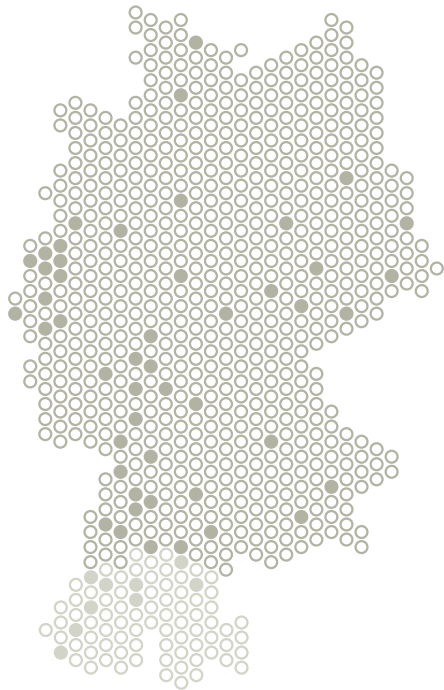
significantly. The fast response times provided by our high-performance logistics system gives us an additional competitive edge in our retail business, from which all system houses benefit.

THE BECHTLE PRINCIPLE //

One of the key factors behind Bechtle's success is its concept of centralising administrative areas such as finances, personnel, purchasing and logistics within the holding company. The benefit: the business units that generate sales – the IT system house and e-commerce segments – can concentrate completely on their core competencies. This is a formula for success that not only creates greater freedom to better serve our customers. It also means we have lean processes and the possibility of pooling purchases for greater profitability. In other words, Bechtle combines the strength of a large, multinational group with the flexibility of a small business.

The business concept has also proved to be most effective in the integration of new companies into the Bechtle Group, since the companies we acquire benefit immediately from the services of the holding company. This has also allowed Bechtle to make good use of the consolidation phase in the IT sector and, with a sound expansion strategy, establish a strong market position. This is the starting point for ambitious corporate goals: in its “Vision 2010”, Bechtle expects in the course of the next five years, with a workforce of what will then be around 5,000 employees, to generate sales of two thousand million euros – with much greater profitability.

// BECHTLE GROUP



GERMANY

(48 locations in 13 federal states)

Baden-Wuerttemberg
Bavaria
Berlin
Brandenburg
Hamburg
Hesse
Lower Saxony
North Rhine-Westphalia
Rhineland-Palatinate
Saxony
Saxony-Anhalt
Schleswig-Holstein
Thuringia

SWITZERLAND

(14 locations in eight cantons)

Basel-Land
Basel-Stadt
Bern
Geneva
Sankt Gallen
Thurgau
Vaud

// **Zurich** / Pages 14-15

SYSTEM HOUSE

COMPETENCE CENTRE

Area-wide IT Services
CAD
Cisco
Computer Centres /Data Centres
Computer Centre Management (Hosting)
Digital Archiving
Enterprise Management
Enterprise Solutions
Groupware
IP Telephony
iSeries
Linux / High Performance Computing
Mobile Computing
Navision
Production Planning and Control
pSeries
// **Remote Control Centre** / Pages 20-21
Security
Storage Solutions
Virtualisation

TRAINING CENTRE

Berlin
Chemnitz
Cottbus
Dresden
Friedrichshafen
Gera
Karlsruhe
Kassel
Krefeld
// **Mannheim** / Pages 24-25
Munich
Muenster
Neckarsulm
Regensburg
Solingen
Stuttgart
Weimar
Wuerzburg

CENTRAL SERVICES

Finance
Controlling
Investor Relations / Corporate Communications
Personnel
Academy
IT / Computer Centre
Web

// *Basic Installation / Pages 18-19*

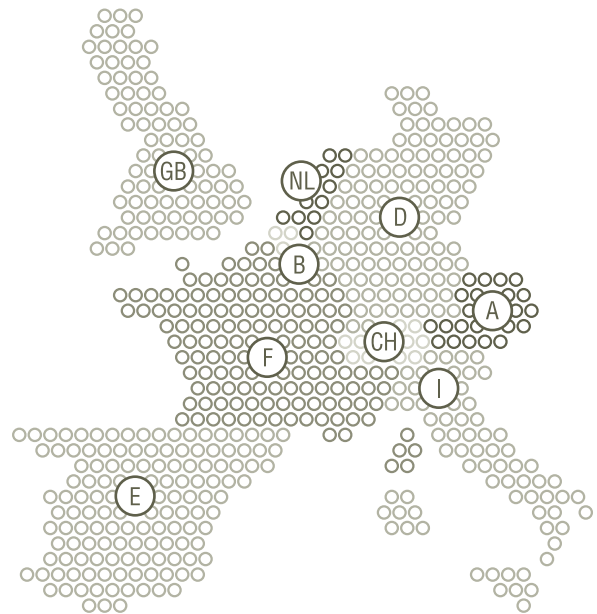
Bechtle direkt GmbH, Germany
Bechtle ÖA direkt GmbH, Germany
Bechtle direct NV, Belgium

// *Bechtle direct s.a.r.l., France / Pages 16-17*

Bechtle direct Ltd., Great Britain
Bechtle direkt Srl, Italy
Bechtle direct B.V., Netherlands
Bechtle direkt GmbH, Austria
Bechtle S.L., Spain
Bechtle-Comsoft Direct AG, Switzerland
Bechtle-Comsoft Direct s.a.r.l., France
ARP Datacon AG, Switzerland
ARP Datacon GmbH, Germany
ARP Datacon GmbH, Austria
Artikona Holding B.V., Netherlands
Masy s.a.r.l., Switzerland
BCS-Direkt GmbH, Germany
TomTech GmbH, Germany
TomTech E.U.R.L., France

BECHTLE AG

E-COMMERCE



Purchasing
European Logistics

// *Product Management / VIPM / Pages 22-23*

Warehouse
Direct Marketing

LOGISTICS & SERVICE

Media Design
European Translation & Print Media
Address Management
Returns / Replacement Management
Organisation / Events

MICHAEL FRUET, 35,

is Managing Director of Bechtle IT system house Zurich. Following positions at Swissair, NCR and Alcatel, the qualified electronics engineer joined ALSO Comsy AG in 2001. Since April 2004, the system house has been a member of the Bechtle Group and is the leading provider of IT services in the greater Zurich area. There are virtually no differences between the German and Swiss system houses. Customer needs are comparable, which is also the case with the range of products and services provided. And what is more: in Switzerland, Bechtle is regarded as the "home team" – one of the benefits of having a decentralised structure with local responsibility entrusted to the Managing Director.

Michael Fruet appreciates the excellent cooperation that exists between the Bechtle system houses and the *Bechtle direct* retail division. One feature he values very highly is that the companies enjoy the mutual benefit of their experience and success. Customers also value the benefit of being able to draw on the combined services of a group of specialists. The special feature of his job is the team-based cooperation in the system house, proximity to customers and the degree of freedom that the Bechtle business concept allows him as Managing Director. It is difficult for Michael Fruet to single out a specific *highlight* of his job in 2005. He finally decides it has to be the ambitious business goals that he achieved with his team despite the large number of organisational changes that were made.

// IT SYSTEM HOUSE CHOOSING PARTNERS

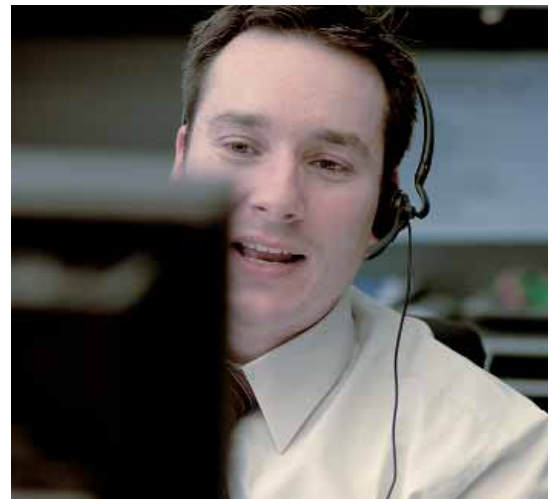
Which IT partner is the right one? The question sounds simple enough, but is becoming increasingly difficult to answer. But it is not due to lack of choice, since that, despite a continuing process of consolidation that has been going on since 2000, remains inordinately large. The reason is to be found primarily in the ultimate consequences of the decision. This is because the dependence on IT for companies of all shapes and sizes has grown dramatically in the last few years. And that has led to an increase in the importance of the IT partner. There are three key criteria today that are important for the choice of partner: trust, know-how and stability.

The demand for the services provided by the system houses is high. Basically, it is all about developing a tailor-made "system" for the customer from the many options that the IT community makes available today. To come up with a solution with a perfect fit, the prime concern in all customer relations is to analyse the company's current IT infrastructure and to filter out the individual need. Filling the gap between the actual and the desired status in an intelligent and efficient manner to provide a long-term solution is one of the most important tasks performed by the system houses. The range of products and services they provide covers the entire value added chain: from IT strategy consultancy and project planning to the supply of hardware and software, and from system integration and application operation services to maintenance, training and management of all processes.

This comprehensive portfolio of products and services from a single source is not the sole reason for the success of the business model. Bechtle's great strength is that it blends the experience and stability of a large group of companies with the flexibility and local presence of a personal contact, who is on the spot at all times. In Germany and Switzerland, there are now independent Bechtle system houses at

62 locations in close proximity to the customer. The decisive factor of this area-wide decentralisation: decisions, complete with full accountability, are taken on the spot by the system houses. That is important for the customers, the majority of whom are small to medium-sized businesses, because they expect a fast response to their enquiries and appreciate local ties. On the other hand, however, they also benefit from the sheer size and versatility of the Bechtle Group, the excellent contact to manufacturers, powerful logistics and better terms that are available as a result of the high purchasing volume.

As far as the customers' requirements with regard to corporate IT are concerned, complete solutions are gaining in significance. Customers are becoming increasingly interested these days in a kind of general contractor, who can deliver the complete portfolio of products and services and provide stable systems, secure data and an IT infrastructure that is trouble-free. A development, incidentally, that is common to all Bechtle customers, whether they be local, regional and high-end SMBs, or large groups and public institutions. Bechtle now sees itself in the role of a mediator between new IT products and users. For this reason, local events are held on a regular basis at all company locations to inform customers on the latest solutions and trends from all manufacturers in a compact format. This too is important, because customer satisfaction is no longer determined by product quality alone, but also through the trust and confidence in the IT service provider's comprehensive experience and expertise.



FACTS & FIGURES

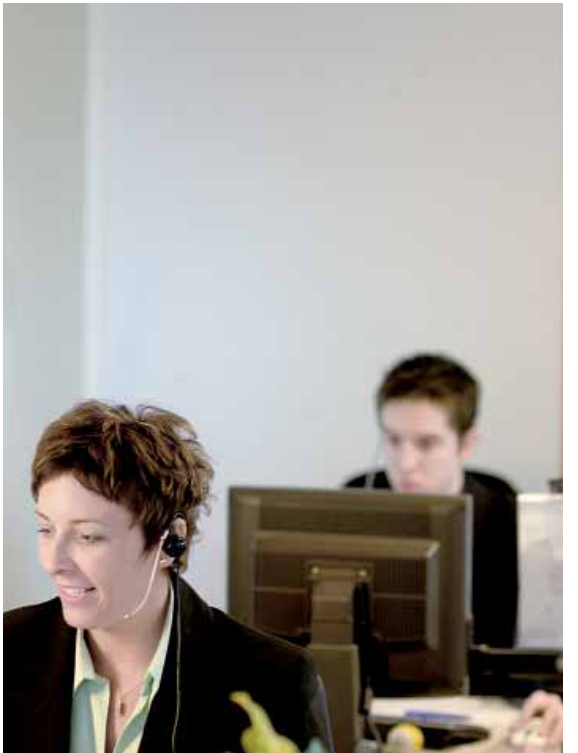
Since it became part of the Bechtle Group, the Zurich-based system house has reported significant growth. This is not least due to the size of the workforce, which has risen since April 2004 from 25 to 80. The outstanding successes achieved by the company in 2005 also included an increase in the size of its customer base and a significant rise in the share of business accounted for by services, the majority of which resulted from outsourcing contracts. Overall, with 14 company locations on the Swiss market, Bechtle is the leading system house group.





FACTS & FIGURES

Bechtle direct s.a.r.l. is well positioned on the French market. Via the country-specific online retail platform the direct sales company markets 22,000 IT products. Since it was founded in 2000, the branch office has doubled its production of catalogues, increased the size of its workforce to 32 and now has a customer base of 7,000 companies.



ALAIN BASELGA, 43,

is Managing Director of Bechtle direct s.a.r.l. in Strasbourg and has been with the company since the end of 1999, which means he is one of the original team that set up the French retail company. He had previously spent ten years in sales for Sage, an international manufacturer of software. He had been taken by Bechtle's business concept and likes the freedom he is given as Managing Director. At the same time, however, he is aware of the responsibility this kind of independence carries. He knows the French market and enjoys surprising people with his marketing ideas. He patented the idea of an electronic calendar, for example. The "Bechtle E-Calendrier" has appeared regularly since 2003 and is no longer limited to the period of Advent, but has also become an effective sales tool in spring.

His personal *highlight* in 2005 was to see how the company's team spirit has remained strong despite the rapid increase in the size of the team last year. Knowing that everyone is pulling in the same direction is, in his opinion, one of Bechtle's strengths. And it motivates him to set new, ambitious goals for himself.

// E-COMMERCE REGIONAL SPECIALITIES

One would normally assume that an online shop by its very nature is international. Why then do we need branch offices at all in the electronics retail business? Simply because we still have to deal with real people who buy our products – Spaniards, French, British or Germans. And their purchasing behaviour is as different as their mentality – and of course a different customer approach is required each time. This is the reason why Bechtle, in the internationalisation of its e-commerce business, insists on using local nationals in each of the country units.

When, at the end of 1999, the decision had been taken to launch Bechtle's direct IT retail business on the French market – following Switzerland, Italy, Austria, Holland and England, the choice of the Managing Director was immediately given top priority. He was to be given full responsibility for setting up the infrastructure and putting together the team in his own country. A two-man team was ultimately chosen to get things rolling: Vincent Pflieger, who had learned the *Bechtle direct* processes from scratch in the German head offices and Alain Baselga, whose job was to find office buildings in France, handle all the administrative work and recruit staff. Both of them knew the French IT market from the many years they had spent in sales with system houses and manufacturers.

The decision to locate the company in Strasbourg may at first sight seem surprising in a country like France that tends to be dominated by Paris. In Strasbourg, however, Bechtle benefits from the overall locational independence of its e-commerce business concept and has been able to centre its business operations in a region that is far less cost-intensive than Paris. Bechtle direct s.a.r.l. was launched on 6 March 2000, with a five-man team, a website of its own and a catalogue that was sent to 10,000 selected

addresses. The timing was perfect for the French market, because the year 2000 was a year that saw IT projects being implemented in companies throughout the country. And the Bechtle concept got off to an excellent start. Customers were impressed in particular by the quality and the wide range of manufacturer-independent products available in the catalogue and the online shop that only a large international group can offer.

Target customers in France – and in this respect, the individual country units do not differ – are mainly SMBs and public sector clients. Marketing activities on the other hand do have a strong national character. A fax mailing, which in Italy results in excellent sales figures, in France – on a one to one basis – is met with a complete lack of understanding. But this is precisely where the strength of the local offices within the Bechtle Group is to be found: while the basic concept is the same for all of them, the marketing is the sole responsibility of the individual country unit. This means, for example, that personal contact via a call centre is appreciated more in France than in the UK. The frequency of the mailings that provide customers with information on the latest special offers is also higher in France than elsewhere. This is why the feeling for the kind of communications to be used is so important. It is one of the reasons why Bechtle's recipe for success – the combination of centralised processes and a decentralised customer approach – is now paying dividends throughout Europe in a total of nine country units.

JOACHIM SAMMET, 41,

is Team Leader Technical Services in the Bechtle Installation Centre (BI). When the qualified technician joined Bechtle in 1989, the company had just moved into new premises with a total of 1,200 square metres of office space. Bechtle's installation space alone today at 1,325 square metres is already larger. The workforce has increased one hundred fold: from 38 at that time to its present more than 3,800. Joachim Sammet began as a technician for PCs and printers, later becoming the head of the technical customer support, the predecessor of the Installation Centre. Since its foundation nine years ago, the tasks performed by the BI have changed – they have become more complex and more challenging.

That is precisely what makes the job interesting, is how Joachim Sammet sees it:

"We're always dealing with the latest products and every day are faced with the challenge of making sure the rollouts are on time. What's really exciting is that basically all the information we get in advance is the project specification and the time of delivery – it's up to us to do everything in between as efficiently as possible. My *highlight* for 2005, therefore, is to have completed even the most challenging projects 'on time' every time." If you were to ask Joachim Sammet what he particularly likes about his job, then it's the people at Bechtle.

// BASIC INSTALLATION GROUNDWORK

"Basic installation" doesn't sound particularly spectacular when you first hear the phrase. It's as if you're installing nothing but the basic software. In fact, everything that passes through the hands of the Bechtle Installation Centre (BI) staff is subsequently better, faster, or more ideally matched to the user's needs. Depending on the customer's requirements, the team enhances the customer's hardware by implementing operating systems and applications or installing PC and server components. Locating all the necessary logistics and installation processes at the company's head offices in Neckarsulm ensures that customers' orders are fulfilled quickly and reliably.

The BI is equipped with over 80 installation bays to install software automatically on multiple devices. It means the Installation Centre is able to configure up to 1,000 systems a day to the customer's specific requirements. This is made possible by powerful, stand-alone networks and standardised installation procedures. Via a direct link to the customer's network, the BI, if necessary, can access the company's data, which can then be installed on the devices. Via the Internet or fixed lines, as many as eight separate customer networks are available at any time – this ensures maximum flexibility and high speed. The required level of data security is guaranteed, in particular by using firewall-protected lines, a closed server room and a special admission control system.

The Installation Centre, which all system houses in Germany can access, was set up by Bechtle in April 1997. The reason for building the competence centre was primarily the customers' increasing demand for services. Today, the Bechtle Group benefits from the economies of scale that have resulted from the centralisation of services and support. The BI has become an important part of project management: the pre-installation services that are performed here ensure optimal integration of new devices into the customer's IT infrastructure, since the project teams at the customer's premises can rely on systems that have been tested and are ready to be put into operation. That saves time and money. But the bundled expertise of the BI team also guarantees high quality and consistency during the installation.

With IT infrastructures that are becoming increasingly more sophisticated, the tasks to be performed by the eight BI staff have also increased in complexity. In addition to their core business of hardware and software configuration, the specialists also collect the hardware data, compare product data with the customer's systems and note the warranty services or licence details entered in the manufacturer's databases. This so-called IT asset management supports the customer in what are often time-consuming administrative tasks related to the maintenance of his master database.

Another area of activity involves the disposal of old equipment. In this case, the services range from functional tests and cleaning to refurbishment. An important element is certified data deletion, which precedes the return of equipment to the lessor or resale to brokers. Special customer audits verify the quality of the processes BI employs in this sensitive area.



FACTS & FIGURES

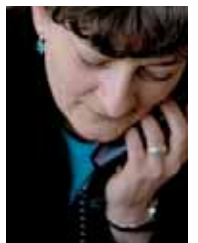
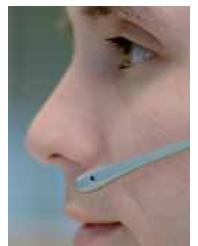
A logistics highlight for the BI was the laser etching of corporate logos every 30 seconds on a total of 4,400 devices in 2005. One of the numerous technologically outstanding projects was the assembly of five server cabinets containing 39 servers and seven storage expansion units. The hard drive storage capacity alone came to around 28 terabytes (1 terabyte = 1,000,000,000,000 bytes). This is equivalent to the data centre capacity of a manufacturing company with around 1,500 PC workstations.





FACTS & FIGURES

In 2005, the Bechtle Remote Control Centre fulfilled more than 250 support contracts for system house customers, provided round-the-clock monitoring for some 400 central systems and organised hardware support for over 2,000 servers. In total, more than 100,000 calls were handled by the User Help Desk, 95 per cent of which were taken within 20 seconds. The number of immediate solutions found for the so-called "user calls" exceeded the 80 per cent mark.



MARCUS ZIMMERMANN, 37,

is the coach at the Bechtle Remote Control Centre (RCC). The business economist came to Bechtle in the year 2000, having previously been the Managing Director of a retail company in a completely different business sector. It was very much a case of jumping in at the deep end – and at the same time an excellent opportunity. His job namely was to develop what had previously been a two-man hotline dealing with customers' technical questions into a profit centre. Not an easy thing to do. But the idea of setting up something new appealed to Marcus Zimmermann. He was interested right from the start in the close links that existed between IT and business operations. The enormous task of being responsible for the stability and the performance of the complex IT systems operated by very different customers he sees as an exciting challenge.

To help him meet this challenge, he is supported by an experienced and excellently trained team that now comprises 39 employees. The customers' demands have grown, but so have the competence and range of services. "In the development of the RCC, last year saw a quantum leap: the large number of challenging projects we successfully handled therefore is also the *highlight* I would single out for 2005."

// REMOTE CONTROL CENTRE UNSEENHANDS

It is the worst-case scenario for the CEO of any company: an IT crash paralyses the work in progress and brings the entire business operation to its knees. From then on, every minute lost costs money, but it is also damaging for the company's image. It's not surprising therefore that the prime criteria in the field of corporate IT are stability, availability and security. The Bechtle Remote Control Centre (RCC) provides key support in this direction. "Remote control" is what it's all about: with unseen hands, the team monitors the customer's IT infrastructure from a distance, guarantees the availability of the systems and is the immediate contact point for the users in the event of malfunctions. The RCC's range of products and services is modular – if the customer considers it necessary, he can put together a tailor-made service package and specify which services he would like the RCC to be responsible for, be it for the IT workstations, the data centre or the complete network environment.

When monitoring the customer's central IT systems, it is important to identify and solve problems before the user is even aware they exist by means of a sensitive early warning system. A second area covers the maintenance of the IT infrastructure, in order to guarantee its quality, availability and optimal utilisation. Both – monitoring and maintenance – are services that are normally completely unseen by the user. The User Help Desk is quite different in this respect. In this case, the user has direct contact with the RCC if he has problems with the hardware or software. The latest firewall, encryption and monitoring technologies provide the prerequisites that will allow a system engineer to connect directly to the customer's PC workstation if necessary. He can then see the user's screen on his display and is in effect with the customer via a virtual link. He can immediately begin to pinpoint the problem and eliminate it without delay. If it is not possible to resolve the problem online, the RCC will then arrange for a service technician

from within the Bechtle Group to visit the customer and carry out the work on the customer's premises. Until the fault has been completely eliminated, the RCC monitors progress to ensure that the agreed repair times are adhered to.

The team has a lot of responsibility. And a lot to do. Because every customer can individually negotiate the availability of the RCC via so-called service levels – including, for example, 24-hour support, 365 days a year. This guarantees that the customer can count on having a stable system even during fringe periods. For the customers, outsourcing makes good sense for a variety of other reasons: it takes the pressure off the company's own human resources, it minimises risk by providing a reliable, ultra-modern early warning system and it ensures greater user satisfaction by guaranteeing fast response times. The customers also get the additional benefit of being able to draw on a pool of highly qualified experts, with a breadth and depth of knowledge that a single company cannot match – or only if it is prepared to make a high investment in human resources. These are economies of scale that Bechtle also makes use of itself: the RCC namely is one of a total of 20 competence centres within the Bechtle Group that make their services and expertise available to the customers of all 62 system houses.

REINHOLD KÄFER, 37,

is head of the Microsoft VIPM team. When he started at Bechtle as a product manager in 1998, he was initially responsible for connecting technology and service, and later for software. The expert knowledge he had subsequently acquired qualified the business economist for the "Vendor Integrated Product Manager" programme that was introduced in 2000. He is an ideal VIPM: he is able to identify completely with both the manufacturer and Bechtle. In the software environment, his job is to monitor the trend towards customised and cost effective complete solutions. This makes consultancy more important, but also more challenging. Reinhold Käfer sees one of his main responsibilities, therefore, in providing the sales staff with the best possible support.

The significance Bechtle has gained as a Microsoft partner can also be seen in the size of the VIPM team, which has grown to its current strength of 13 members. "The fact that we managed in the last year to increase our share of the sales revenues by 48 per cent and that we were also top of the 'Microsoft Partner Champions League' in the SMB segment was only possible because we all pulled together and had a lot of fun in the process. This is also the reason why my *highlight* for 2005 has to be the fantastic degree of integration we achieved when we increased the size of our team."

// PRODUCT MANAGEMENT BEST RELATIONS

They are in demand. They know the score. They are important. VIPMs are a credit to their name. On the surface of course, VIP(M) has nothing to do with Very Important Persons, but stands for Vendor Integrated Product Managers. But these are very important persons for Bechtle, as they are responsible for the management of a specific manufacturer's or vendor's range of products. They have such close links that they are perceived to be "integrated" representatives of the manufacturer and respected as such. And they do in fact communicate in two directions. They speak the language of the manufacturer they represent and know his portfolio of products and solutions in detail. As Bechtle employees, they are also very well aware of the issues that affect sales and the individual customer's requirements. There are now 42 such VIPMs at Bechtle. They are the direct interface to a total of 16 manufacturers.

The need to have extremely close links to the largest and most important suppliers was born in 2000. As a result of the growing number of system house locations, the number of contact persons for the manufacturers also increased. That made the coordination of certifications and the flow of information in the partner programmes more difficult. There was a need therefore for more centralised control. With the introduction of the VIPM concept, there was a classic win-win situation: the manufacturer benefits because he now has his own personal contact point for over 60 company locations, who look after his interests and pass on product information and promotions as multipliers to specific target groups. By the same token, Bechtle also benefits because all the system houses now have one central contact point in-house, who always has the most current information, can provide the best possible product know-how, handle the coordination of manufacturer training courses and provides optimal support for customer projects. The first VIPM teams that were set up as early as 2000 include HP, Microsoft, IBM and Fujitsu Siemens. An

excellent example to show that the VIPMs are more than just the extended arm of the manufacturer can be seen in the presence of Bechtle on the Microsoft's Partner Quality Board. As a member of this committee of experts, the VIPM team is involved directly in the software manufacturer's technological, programmatic and organisational marketing strategy. An ideal vehicle for communicating the new developments and concepts produced by this committee is found in the customer events organised by the VIPMs, which take place regularly with the manufacturer or at his premises. Another – no less important – job of the VIPMs is to update all the information stored in the central product database and control the partner certificates for the entire Bechtle Group.

Having over 200 certificates from different manufacturers is clear evidence of the solutions competence and strength of the Bechtle IT system houses. It is the customers who benefit most of all from the certificates Bechtle receives as a premium partner of all the leading suppliers. This because the certified partner status provides Bechtle with direct access to the manufacturers' support resources, preferred product availability or even special information on current technological developments. And that's what the VIPM is all about: providing the customer – both internal and external – with the highest standards of quality.



FACTS & FIGURES

Bechtle is a Microsoft Gold Certified Partner in five different disciplines. A total of 250 employees in Germany and Switzerland are certified Microsoft specialists. Bechtle also has the status of a Large Account Reseller and is thus the largest support partner of the world's leading software manufacturer with full coverage for small to medium-sized businesses.





FACTS & FIGURES

In 2005, a total of 2,870 people received instruction and training from the Mannheim training centre, of whom 1,860 attended courses in the training centre itself and 1,010 locally at their company's own premises. In addition, in excess of 180 days of consulting were provided by a total of 20 training instructors. The training centre covers the region to the north and west of Mannheim.



YVONNE AUER-JOURDAN, 30,

is the team coordinator at the training centre in the Bechtle IT system house Mannheim. The qualified bank clerk and marketing specialist has been with Bechtle since January 1999 and during this time has been responsible for setting up the training centre as a profit centre. What helps her specifically in her job are the short decision-making channels at Bechtle. "This is important when you need to implement an idea quickly and gives us the key advantage of being able to respond to the customer's needs quickly without having to discuss every little detail beforehand in meetings, which is time-consuming. It's extremely motivating to experience that you really can achieve something on your own."

The past year was a very special one for the mother of a little girl: "In 2005, I took a few months off. The reason for taking the break is now 12 months old and known to everyone as Eleah. Bechtle made it possible for me to work at home during this period, so that I was still able to help my colleagues. It worked very well and I'm grateful I had the opportunity to do that. For this reason, my personal *highlight* in 2005 is my team who, despite the additional load they had due to my absence, did a tremendous job."

// TRAINING CENTRE MAN AND MACHINE

We have to admit – there's really nothing new when we say that the human factor is the key to corporate success. But it's more true today than ever before. And because it is that way, the best IT infrastructure and the most advanced software is only of benefit to a company when it is operated by well trained staff. This is something to which Bechtle is committed. With seminars, workshops, user training courses and manager seminars, the Bechtle training centres provide instruction and training in all aspects of information technology. And the key principle is that the seminars are run by practitioners for practitioners.

The prime goal of any training and further education for users and administrators is to secure the standards of quality and efficiency of the work they do. Investments made in training courses then pay for themselves very quickly and benefit the company when the courses offered are actually geared to the need. The great strength of Bechtle's training centres therefore is to be found in tailor-made seminar concepts for customers. It is possible in Bechtle's training facilities to simulate specific customer situations, for example, in order to confront participants with the kind of problems they are likely to encounter during a normal working day. Interest is also growing in so-called "blended learning courses", which combine on-site training courses in the training centre with online exercises in the employee's own work environment. This form of E-Learning is designed to encourage participants not to restrict the learning phases solely to the seminar, but to break down the content and perform simple exercises at the workplace over an extended period of time. The seminars offered by Bechtle are specifically designed to meet the requirements of the market – and are therefore constantly changing. With a total of 10,000 seminars held each year on over 400 current IT topics, the training courses are extremely varied. And they also are available throughout the country in 18 Bechtle training centres and at 18 additional locations,

which means that it is possible to offer customers with more than one branch office the same kind of training courses at each location. The special feature is that Bechtle guarantees that virtually all open seminars will be held even if there is only one participant. This means that customers can plan ahead with certainty. Bechtle also provides a high level of flexibility and, in addition to the normal seminars, also offers evening training courses or on Saturdays. One-on-one training is also available at the employee's own workplace.

"Off-the-shelf training courses" don't make a lot of sense nowadays. The reason is that corporate operational requirements today are too individual and IT issues far too complex. At Bechtle, a practical approach is still a customer-driven approach. The participants reward this Bechtle principle with trust and confidence, something that is evident from the increasing percentage of consultancy services provided by the training instructors. They accompany IT projects, for example, such as the introduction of new applications, new Windows user interfaces or database developments at the customer's premises. In such cases, their job is not only to instruct the users, but also to support the internal IT department in the implementation, configuration and documentation of the IT project. The consulting part of their job is expected to continue growing in the future and further increase the importance of the Bechtle training centres within the overall customer care programme.

// THE BECHTLE SHARE

THE STOCK MARKET

2005 was a good year for the German stock market, with, in some cases, substantial gains in stock prices. After a cautious start to the year, attributable to high oil prices, concern over interest-rate hikes and the sluggish economy, the stock market began a strong and consistent upward trend with the announcement of new elections in late May. Neither the terrorist attacks on London in early July nor the Federal German parliamentary elections and the lengthy government formation process caused any significant decline in share prices. The upward trend was strengthened by company reports of record profits and the moderate interest-rate policy of the European Central Bank. This was followed in December by a year-end rally which saw new highs in some indices.

The key German indices posted two-figure gains across the board. Second and third-tier stocks were the best performers. The MDAX rose 36 percent and the SDAX 35.2 percent compared to the previous year. The DAX index rose 27.1 percent, while the TecDAX recorded a gain of 14.7 percent.

BECHTLE SHARE TRENDS SIDeways

Initially, the Bechtle share followed the general upward trend, and until August easily outperformed the TecDAX. Overall for the year, however, the stock trended sideways.

From an opening price of EUR 16.50 as of 2 January the company's stock rose sharply, reaching a year high of EUR 21.88 on 11 February. Later in the year, the stock came increasingly under pressure on account of pessimism over the outlook for the sector and moderate business activity, but initially stayed above the reference index. After hitting an interim high mid-year, the share price fell to a year low of EUR 15.80 on 28 October. In the next two months, the share made a slight recovery and closed the year at EUR 16.40. The annual performance of the Bechtle share was, therefore, minus 0.3 percent.

As with the share price, there was little change in market capitalisation, which decreased marginally to EUR 347.7 million from EUR 348.7 million. On the other hand, the market capitalisation (measured by the free float) relevant to the share's weighting in the indices rose to EUR 172.2 million from EUR 166.1 million. This is due to the recalculation by the German stock exchange with a higher free float share compared to the previous year.

The liquidity of the Bechtle share improved significantly in the year under review. The number of shares traded in all German stock exchanges rose to 16.7 million from 12.5 million in the previous year. An average of 65,327 shares were traded daily, a rise of 34.4 percent on the previous year (48,616). Total sales rose more substantially, by 86.5 percent to EUR 307.7 million (previous year: EUR 165.0 million).

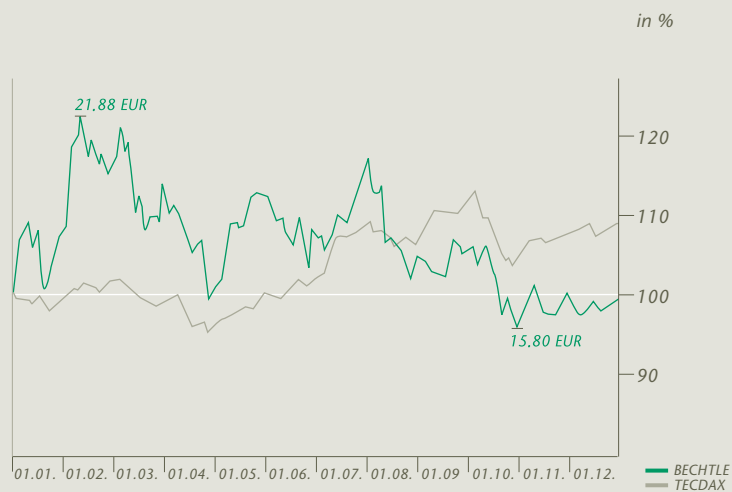
In terms of market capitalisation, Bechtle dropped to 28th (previous year's rank: 21st) in the TecDAX index ranking at 31 December 2005 due to underperformance. On the other hand, Bechtle improved to 23rd (previous year's rank: 30th) in terms of trading volume, the second key criterion. In this regard, the higher liquidity, hence the stronger appeal of the Bechtle share to institutional investors in particular, had a noticeable effect.

Bechtle is also listed on the German Entrepreneurial Index (GEX) of the Deutsche Boerse, introduced on 3 January 2005. This index comprises 107 Prime Standard shares and complements the indices of the DAX family. Requirement for inclusion is that the company has been listed on the stock market for less than ten years and is majority-led by owners who hold between 25 and 75 percent of the voting rights. The index is regarded as an indicator for the performance of small and medium enterprises listed on the stock market. With 37.8 percent year-on-year performance, the GEX 2005 outperformed all DAX indices.

SOLID SHAREHOLDER STRUCTURE

The shareholder structure of Bechtle AG has changed slightly due to a recalculation of the German stock market. According to this, the free float is 49.5 percent (previous year: 47.6 percent). The free float is divided among a wide and solid investor structure consisting of private and institutional investors from home and abroad. 32.0 percent of shares are owned by Karin Schick-Krief. A further 18.5 percent is held by the BWK GmbH holding company, a pre-IPO Bechtle shareholder pursuing a long-term investment strategy. The Chief Executive Officer has a 1.7 percent shareholding included in the free float.

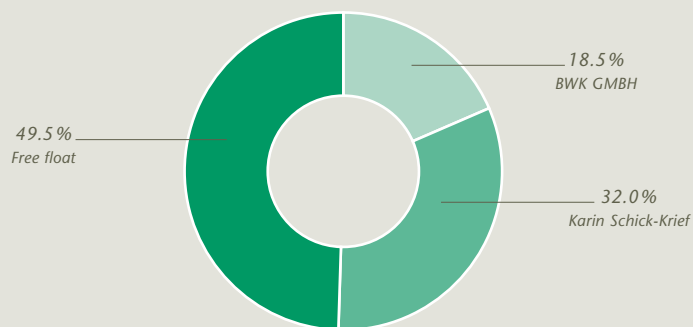
Price performance 2005



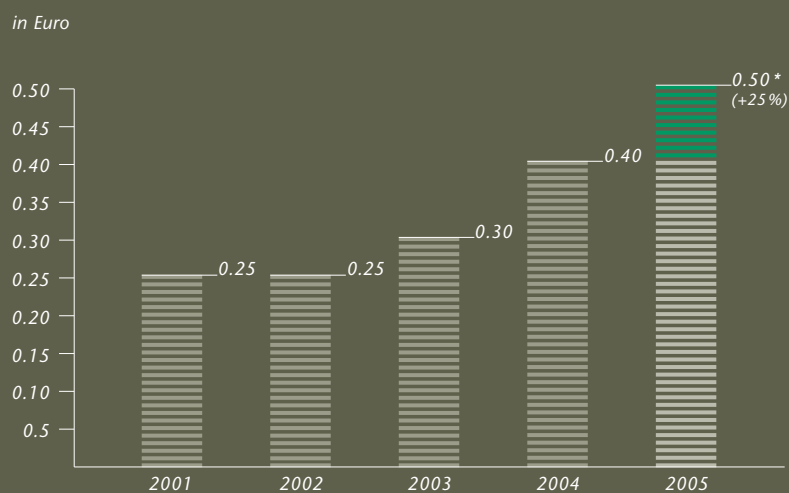
Master data for Bechtle share

Type of Share	No-par-value share
Stock exchanges	Frankfurt and all six regional exchanges
Stock market segment	Prime Standard
Index	TecDAX
WKN	515 870
ISIN	DE 000 515 870 3
Symbol	BC8
Designated Sponsor	Landesbank Baden-Wuerttemberg
First Trading Day	30.03.2000

Shareholder structure



as of 31.12.2005
(based on 21.2 million shares)



* subject to approval by the General Shareholders' Meeting

Key data

		2005	2004
Shares entitled to dividend ¹⁾	no.	21,200,000	21,200,000
Year's opening price	euros	16.50	10.30
Year's closing price	euros	16.40	16.45
Year's high	euros	21.88	16.90
Year's low	euros	15.80	9.60
Year's performance – absolute	euros	- 0.05	+ 6,25
Year's performance – percentage	%	- 0.3	+ 61.3
Market capitalisation – total ¹⁾	million euros	347.7	348.7
Market capitalisation – Free float weighted ¹⁾	million euros	172.2	166.1
Average trading volume per trading day ²⁾	no.	65,327	48,616
Average trading volume per trading day ²⁾	euros	1,201,997	641,924
Amount distributed ³⁾	million euros	10.60	8.48
Distribution quota ³⁾	%	78.4	73.8
FIGURES PER SHARE			
Earnings per Share	euros	1.38	1.20
Cash dividend ³⁾	euros	0.50	0.40
Dividend yield ¹⁾	%	3.0	2.4
Cash Flow per share	euros	1.36	2.22
Price-Earnings-Ratio ¹⁾		11.9	13.7

1) as of 31 December

2) All German exchanges

3) 2005: subject to approval by the General Shareholders' Meeting

25 PERCENT HIGHER DIVIDEND PROPOSED

The dividend policy of listed companies is increasingly becoming the focus of investors. Irrespective of the share price trend, the dividend policy is a factor that can increase the attractiveness and profitability of an investment. Bechtle is one of the few technology stocks that has consistently paid out a dividend since its IPO to allow shareholders to participate in the company's success. The Executive Board and the Supervisory Board will propose to the Annual Shareholders' Meeting, for the third year in a row, an increased dividend of EUR 0.50 per share for the 2005 fiscal year. This constitutes a rise of EUR 0.10 or 25 percent on the previous year. The total dividend payout for the 2005 fiscal year will therefore increase to EUR 10.6 million from EUR 8.5 million. The pay-out-ratio stays at 78.4 percent of the consolidated net profit compared to 73.8 percent in the previous year. Based on the year-end price, this gives shareholders a dividend return of 3.0 percent (previous year: 2.4 percent).

IMPROVED BASIC EARNINGS PER SHARE

The undiluted earnings per share (EPS) were EUR 1.38 in the year under review (previous year: EUR 1.20). The basis for the calculation are the 21.2 million Bechtle shares in circulation in 2005. EPS rose by 15.0 percent compared to the previous year based on an average of 21,052,459 shares outstanding.

FURTHER EXPANSION OF INVESTOR RELATIONS ACTIVITIES

The inclusion into the TecDax technology index has noticeably increased the visibility of Bechtle AG on the capital market. To meet the rising demand, Bechtle intensified its communications with the capital market in the course of the year. For all its investor relations activities, the company abides by the principle of providing information early, openly and comprehensively.

The key instruments of opinion forming among shareholders and investors include, in particular, the recommendations of analysts. In total, seven banks reported regularly on Bechtle in 2005 in the form of extensive studies and share price short analyses. These included, for the first time, HSBC Trinkaus & Burkhardt and West LB, which provided coverage of Bechtle in 2005 and issued "buy" recommendations on the stock. In addition the Baden-Wuerttembergische Bank, Berenberg Bank, Citigroup, DZ Bank and Landesbank Baden-Wuerttemberg have Bechtle on their watch list. All institutes recommend buying or holding the share.

Bechtle informed institutional investors about the economic situation, the company's strategy and future prospects in one-on-one meetings, roundtables and roadshows at the major financial centres in Germany and Switzerland. The CEO also participated in capital market conferences and investor events of various banks in order to present the Bechtle business model and to establish contact with prospective investors. In addition, the Executive Board regularly holds one-on-one talks with investment companies at the company head offices in Neckarsulm. A number of new contacts were made in 2005. As before, the goal for the future is to intensify dialogue with investors and win additional investors from home and abroad.

The keystone event in 2005 was the fifth General Shareholders' Meeting of Bechtle AG in Heilbronn on 22 June 2005. Some 600 shareholders attended, representing 64.8 percent of the voting share. All Executive Board and Supervisory Board proposals including a higher dividend of EUR 0.40 were approved with majorities of almost 100 percent of the votes cast.

The information available on the investor relations web page at www.bechtler.com includes current share-price and index charts, ad hoc reports, press releases, finance publications, corporate governance announcements and directors' dealings as well as presentations. A weekly report reflects every Monday the share price trend of the previous week and summarises the press and analysts' opinion on key issues. Four "Bechtle stockholders Days" for private investors were held for the first time in 2005.

The 150 or so participants had the opportunity to see for themselves the group head offices and discuss questions relating to business and strategy development. The event will be continued in 2006. For assistance, please contact our Investor Relations Team by mail or telephone. Names of contacts and contact details can be found in the imprint of the Annual Report.

// CORPORATE GOVERNANCE REPORT

Good Corporate Governance is one of the cornerstones for responsible company management and control geared towards the sustainable creation of value. In essence, the purpose of Corporate Governance is to engender the trust and confidence of investors, the financial market, business partners, employees and the general public in the management and supervision of the company through the application of comparable principles.

However, exemplary Corporate Governance is not achieved solely by conforming to formal rules, but also by actively fulfilling a responsibility to these interest groups. In the terms of Corporate Governance, the long-term success of the company has the highest priority, as opposed to short-term success on the capital market. The Supervisory Board and the Executive Board feel a sense of commitment to this principle and work to uphold it through close co-operation based on mutual trust, as well as clear and transparent communication.

The legal framework is provided by the German Stock Corporation Act and the German Co-Determination Act, as well as the German Capital Market Law and the German Corporate Governance Code first published on 26 February 2002. The German Corporate Governance Code contains internationally recognised standards of good and responsible company management in the form of recommendations and suggestions. The main aims of the code are to protect and facilitate the exercise of shareholders' rights, to implement appropriate standards of transparency and reporting, and to ensure the efficient co-operation between the Executive Board and the Supervisory Board.

The Executive Board and the Supervisory Board, in accordance with Code 3.10, report jointly on the Corporate Governance at Bechtle, which is characterised by the following:

SHAREHOLDERS' RIGHTS

The shareholders of Bechtle AG exercise their rights at the General Shareholders' Meeting, including their right to vote. Each share carries one vote. The agenda for the General Shareholders' Meeting, including the required reports and documents are published on the Bechtle website (www.bechtle.com). Shareholders have the option of exercising their right to vote at the General Shareholders' Meeting in person or by an authorised agent issued with a power of attorney or a proxy agent of the company bound by instructions. Bechtle also places a detailed report of the General Shareholders' Meeting, complete with general debate, on its website. To expedite the conduct of the

General Shareholders' Meetings, Bechtle reserves the right to have persons elected to the supervisory board by list vote rather than by an individual candidate vote. A ruling to this effect was introduced into the company constitution by a resolution of the General Shareholders' Meeting of 22 June 2005.

SUPERVISORY BOARD

The Supervisory Board of Bechtle AG consists of 12 members who are qualified in different specialised fields. Pursuant to the German Co-Determination Act, the membership of the Supervisory Board is equally divided between shareholder representatives and employee representatives. None of the shareholder representatives has a business or personal relationship with the company or the Executive Board from which a conflict of interests can arise. All mandates of the members of the Supervisory Board holding membership in other supervisory boards or comparable supervisory bodies are published in the notes to the consolidated annual accounts.

The German Stock Corporation Act requires a clear separation of management and oversight functions. The main tasks of the Supervisory Board are to advise and supervise the Executive Board in the management of the company. The Supervisory Board is therefore involved in decisions of fundamental importance to the company.

Gerhard Schick, a former Executive Board member, was appointed to the Supervisory Board and elected its Chairman. Mr. Schick is also the Chairman of the Balance Sheet and Accounts Committee (Audit Committee). Having worked for many years as a businessman, he has special knowledge and experience in the application of accounting principles and internal control procedures. In his function as the Chairman of the Supervisory Board, he co-ordinates work within the Supervisory Board, chairs its meetings and represents the interests of the Supervisory Board externally. The Chairman of the Supervisory Board maintains regular contact with the Chairman of the Executive Board, and consults with him on strategy, business development and risk management of the enterprise.

The Chairman of the Personnel Committee is Dr. Jochen Wolf. In this respect, Bechtle deviates from the recommendation of the Corporate Governance Code which stipulates that the Chairman of the Supervisory Board should assume this function. However, given the close co-operation within the Supervisory Board, Bechtle AG feels that it can dispense with this recommendation.

The remuneration for the members of the Executive Board is reported for each individual member whereby the amount paid is based on his/her responsibility and scope of duties. Account is taken of chairmanship, deputy chairmanship and work within the committees. A performance-related component is not included. Bechtle is of the opin-

ion that the Supervisory Board can be expected to conduct its business in a responsible manner without the need for such a component supplementary to the remuneration approved by a resolution of the General Shareholders' Meeting.

Report on the remuneration of the Supervisory Board

Name	Basic remuneration	Chairmanship/ Deputisation	Committee	Total 2005	Total 2004
Shareholders' Representatives					
Otto Beilharz	20,000			20,000	20,000
Kurt Dobitsch	20,000			20,000	20,000
Gerhard Schick	20,000	20,000	12,500	52,500	38,610
Karin Schick-Krief	20,000			20,000	13,583
Klaus Winkler	20,000		5,000	25,000	33,194
Dr. Jochen Wolf	20,000		12,500	32,500	32,500
Employee Representatives					
Uli Drautz	20,000		5,000	25,000	25,000
Ralf Feeser	20,000	10,000	5,000	35,000	35,000
Barbara Greyer	20,000			20,000	20,000
Peter Leweke	20,000			20,000	20,000
Daniela Ludewig	20,000		5,000	25,000	25,000
Dr. Rudolf Luz	20,000			20,000	20,000

It is the duty of the supervisory board to perform its tasks with due care, diligence and in an efficient manner. In 2004 the committee conducted an in-depth review of the efficiency of its work on the basis of the Guidelines of the Deutsche Schutzvereinigung für Wertpapierbesitz e.V. and resolved to repeat this review regularly at three yearly intervals. However, if the plenary meeting is of the view that efficiency is deteriorating, this review will be conducted on an annual basis.

The term of office for all Supervisory Board members expires at the end of the General Shareholders' Meeting, which decides on formal approval of their activities for the financial year 2007.

The company's internal regulations stipulate an age limit of 70 for members of the Supervisory Board.

EXECUTIVE BOARD

The Executive Board of Bechtle AG consists of three members. The Chief Executive Officer (CEO) is company co-founder Ralf Klenk. He has responsibility for Finance, Corporate Planning, Communication, Personnel and IT. Gerhard Marz is responsible for the IT system house segment as well as the Competence Centres, while Jürgen Schäfer is in charge of the IT e-commerce Europe segment as well as Logistics & Service. The Management Committee develops the company strategy and provides for the implementation thereof. It also has the responsibility for appropriate risk controlling and management within the company.

The remuneration of the members of the Executive Board consists of a fixed and a variable component. The variable component is performance-related and is calculated on the basis of the pre-tax earnings of the Bechtle Group. There were no share option schemes or other share-based incentive schemes in 2005, neither were there any components with a long-term incentive effect or risk-based nature. The remuneration of the entire executive body is published in the notes to the consolidated annual accounts, broken down into fixed and variable components, albeit not itemised. In the case of the relatively small Executive Board, in the company's view, the disclosure of the total sum for the Executive Board's remuneration, with its break-down into a fixed and a variable component, provides a sufficiently high level of transparency.

The company will be required by law to disclose the salaries of its individual Executive Board members with effect from the Annual Report for 2006. The Executive Board and Supervisory Board of Bechtle AG intend to propose to the next General Shareholders' Meeting that use be made of the so-called "opting-out clause". If the General Shareholders' Meeting approves the proposal, the company will be able to maintain the existing reporting model.

The company's internal regulations relating to the Executive Board stipulate an age limit of 65 for board members.

CO-OPERATION BETWEEN EXECUTIVE BOARD AND SUPERVISORY BOARD

The basis for any effective corporate management is intensive, continuous and frank dialogue between the Executive Board and the Supervisory Board. In the case of Bechtle, many years of successful co-operation between the chairmen of the Supervisory Board and the Executive Board is amongst others the guarantee of an intensive exchange of information. The notification and reporting obligations of

the Executive Board to the Supervisory Board are specifically stated in writing in the company's internal regulations. The Executive Board reports to the Supervisory Board regularly, without delay and comprehensively on all issues of importance to corporate planning, strategy, business performance and corporate development, including the risk situation and risk management. The Executive Board accounts for and justifies any deviations from forecasts and targets. The Supervisory Board discusses developments of this nature in depth. For important business matters, restrictions on approval of the Supervisory Board are stipulated in the company's internal regulations.

The Executive Board and the Supervisory Board are required to perform their duties in accordance with generally recognised principles of management. If they are found guilty of violating their duty to use proper care and diligence, they can be held liable to Bechtle for damages. To cover such a risk, the company has taken out for Executive Board and Supervisory Board members an asset liability insurance policy – so-called Directors & Officers liability insurance – with no deduction. Bechtle is not of the opinion that the sense of responsibility and motivation of the Supervisory Board and the Executive Board can be increased by means of a deduction. The members of both Boards do everything in their power to ensure Bechtle's well-being.

AVOIDANCE OF CONFLICTS OF INTEREST

The members of the Executive Board and the Supervisory Board are required to perform their duties in the company's best interests and may not pursue their own personal interests in any decisions they make. Members of the Executive Board are required to disclose to the Supervisory Board any conflicts of interest without delay and to inform the other members of the Executive Board. In its report, the Supervisory Board shall inform the General Shareholders' Meeting of any conflicts of interest that may have occurred and the consequences.

During their employment with Bechtle, the members of the Executive Board are subject to a comprehensive non-competition obligation. Taking on sideline activities – this includes Supervisory Board mandates outside the Group – requires the approval of the Supervisory Board. In the year under review there were no conflicts of interest that could have arisen with customers, suppliers, lending banks or business partners in connection with the advisory or executive work of a member of either the Supervisory Board or the Executive Board. All mandates of the members of the Executive Board and Supervisory Board are published in the notes of the consolidated annual accounts.

MAXIMUM TRANSPARENCY

Bechtle is involved in a continuous process of promoting open dialogue with the capital market and ensuring equal treatment of all participants. In addition, it is one of Bechtle's basic principles to make key information available to all interested market operators at the same time. All important financial information is therefore published simultaneously in German and English, and made available on the company's website. Important dates, financial reports, press releases and presentations are also made accessible via the company's website. Bechtle also provides shareholders with information on the performance of the Bechtle share and important opinions from analysts and the media via a weekly report. Including the names of interested investors in a distribution list ensures that corporate publications will also be sent automatically.

DISCLOSURE OF SHARE TRADING AND CHANGES IN THE SHAREHOLDING STRUCTURE AND SHAREHOLDING

In accordance with Article 15a of the German Securities Trading Act (WpHG), members of the Executive Board and Supervisory Board as well as natural and legal persons with whom they are closely related must disclose the purchase or sale of Bechtle shares without delay if the transactions exceed the sum of 5,000 Euros until the end of a calendar year. Bechtle publishes all transactions of this kind on its website under Directors' Dealings and reports them to the Federal Financial Supervisory Authority.

The following transactions involving the sale of shares of Bechtle AG were concluded in the year under review:

Sale of shares of Bechtle AG

Date	Name	Legal relationship	Price/ share	Quantity	Amount (in EUR)	Stock exchange
21.03.2005	Evelyn Dobitsch	Spouse of a Supervisory Board member	20.00	65,510	1,310,200.00	off-exchange
15.06.2005	Evelyn Dobitsch	Spouse of a Supervisory Board member	19.30	12,500	241,250.00	Xetra
01.07.2005	Evelyn Dobitsch	Spouse of a Supervisory Board member	18.65	19,779	368,866.30	Xetra
04.07.2005	Evelyn Dobitsch	Spouse of a Supervisory Board member	18.46	9,226	170,334.39	Xetra
05.07.2005	Evelyn Dobitsch	Spouse of a Supervisory Board member	18.79	10,219	192,023.77	Xetra

In accordance with Article 21 Paragraph 1 of the German Securities Trading Act, Bechtle is also required to publish information on major changes to its shareholding structure, as soon as an investor's possession of voting rights in the company, as a result of purchase, sale or other means, reaches, exceeds or drops below 5, 10, 25, 50 or 75 percent. Bechtle publishes this information on the company's website and in an authorised journal for statutory stock market announcements following notification by the shareholder. In the year under review, Bechtle received no such notification.

The shareholdings of the members of the Executive Board and Supervisory Board of Bechtle AG are as follows:

Number of Bechtle shares held by members of the Executive Board

	31.12.2005	31.12.2004
Ralf Klenk	352,462	352,462
Gerhard Marz	6,916	6,916
Jürgen Schäfer	4,000	4,000

Number of Bechtle shares held by members of the Supervisory Board

	31.12.2005	31.12.2004
Shareholders' Representatives		
Otto Beilharz	4,048	4,248
Kurt Dobitsch	0	0
Gerhard Schick	200,000 (held directly) 1,026,933 (indirectly by usufruct)*	200,000 1,026,933
Karin Schick-Krief	6,784,487 (davon 1,026,933 aus Schenkung von Gerhard Schick)	6,784,487
Klaus Winkler	725	725
Dr. Jochen Wolf	0 (held directly) 3,916,507 (on behalf of BWK GmbH Unternehmensbeteiligungsgesellschaft)	0 3,916,507
Employee Representatives		
Uli Drautz	1,644	1,644
Ralf Feeser	656	656
Barbara Greyer	0	0
Peter Leweke	0	0
Daniela Ludewig	0	0
Dr. Rudolf Luz	0	0

* Transferred to Karin Schick-Krief by way of donation.

CONFIDENTIALITY OBLIGATION AND INSIDER TRADING

Members of the Executive Board and the Supervisory Board of Bechtle AG undertake not to disclose confidential information pertaining to the Group. They are also bound by

the provisions of the German Securities Trading Act and therefore may neither pass on internal information to third parties nor use it as the basis for a decision to sell or buy Bechtle shares for themselves or other persons.

REPORTING AND AUDIT OF THE ANNUAL ACCOUNTS

This year the consolidated annual accounts and interim reports of Bechtle are compiled for the first time in accordance with the applicable rules of the International Financial Reporting Standards (IFRS), while the annual accounts of Bechtle AG are prepared in accordance with the regulations of the German Commercial Code. Adjusted accounts affected by the changeover from U.S. GAAP to IFRS are included in the Notes to the Management Report.

The auditors, Ernst & Young AG, in accordance with Code 7.2.1 of German Corporate Governance Code, have issued a statement of independence. This statement confirms that neither professional, nor personal, financial or other relations exist between the auditing company and the Bechtle

Group that could establish doubt as to the auditor's independence. In addition, the auditing company was not involved in preparing the accounts nor in the preparation of Annual or Consolidated Financial Statements.

The auditor attended the deliberations of the Supervisory Board regarding the annual accounts and consolidated financial statements, and reported on the main results of his audit.

On 28 March 2006, the Executive Board and the Supervisory Board updated the Declaration of Compliance with the German Corporate Governance Code to its current version and made it permanently available to the shareholders on the Bechtle website:

// Declaration of Compliance with the German Corporate Governance Code by the Executive Board and Supervisory Board of Bechtle AG, Neckarsulm, pursuant to Article 161 AktG (German Companies Act)

The Executive Board and Supervisory Board of Bechtle AG hereby declare that the company has since the previous Declaration of Compliance of February 2005 so far complied with recommendations of the Government Commission's German Corporate Governance Code published by the Federal Ministry of Justice in the official portion of the electronic federal gazette in the version of May 21, 2003, and has with effect from July 21, 2005 complied with the version of June 2, 2005 (published on July 20, 2005), and will continue to comply with these recommendations with the following exceptions:

DEDUCTION IN THE CASE OF A D&O POLICY

In the case of the D&O liability insurance policy taken out by Bechtle AG for the Executive Board and the Supervisory Board, no deduction is made. The company is not of the opinion that the sense of responsibility and motivation of the Supervisory Board and the Executive Board can be increased by means of a deduction. (Code 3.8)

REMUNERATION FOR MEMBERS OF THE EXECUTIVE BOARD

Bechtle AG has disclosed the remuneration for the members of the Executive Board in the notes to the consolidated annual accounts, divided into fixed and variable sums. This information is not itemised. In the case of the three-member Executive Board, in the company's view, the disclosure of the total sum for the Executive Board's remuneration, with its break-down into a fixed and a variable component, provides a sufficiently high level of transparency (Code 4.2.4).

CHAIRMANSHIP OF THE PERSONNEL COMMITTEE

The Chairman of the Supervisory Board of Bechtle AG is not simultaneously the Chairman of the Personnel Committee dealing with the Executive Board contracts. Bechtle AG feels that, given the close co-operation within the Supervisory Board, it can dispense with this recommendation of the code (Code 5.2).

PERFORMANCE-RELATED REMUNERATION FOR MEMBERS OF THE SUPERVISORY BOARD

The remuneration for the members of the Supervisory Board does not include a performance-related component. Bechtle AG is of the opinion that all members of its Supervisory Board perform their duties with maximum commitment and willingness and with a view to the long-term success of the company. Bechtle is of the opinion that the Supervisory Board can be expected to conduct its business in a responsible manner without the need for an additional performance-related component (Code 5.4.7).

In addition, the following exception from the recommendations of the German Corporate Governance Code in the version of June 2, 2005 is applicable to Bechtle AG:

ELECTION OF PERSONS TO THE SUPERVISORY BOARD

To ensure the expeditious conduct of the General Shareholders' Meeting, the company reserves the right – as resolved by the General Shareholders' Meeting of 22 July 2005 – to elect persons to the Supervisory Board by list vote (Code 5.4.3).

Neckarsulm, 28 March 2006

Bechtle AG

On behalf of the
Executive Board

Ralf Klenk

On behalf of the
Supervisory Board

Gerhard Schick

// CONSOLIDATED MANAGEMENT REPORT

Preliminary remark

The beginning of the 2005 financial year saw Bechtle AG adjust its accounting and reporting in line with the International Financial Reporting Standards (IFRS). The amendments of importance to the consolidated financial accounts, compared with the accounts prepared to date according to U.S. GAAP, apply to balancing the accounts of the negative goodwill of the company Also Comsynt AG acquired in the first quarter of 2004 and the amortisation of fixed assets involved. This has produced considerable effects on earnings and the previous year's shareholders' equity.

The previous year's figures have been adjusted in this report in line with IFRS. For reasons of clarity and to facilitate a comparison, the previous year's figures from the Management Report are given only after adjustment for the special item resulting from Also Comsynt AG's negative goodwill. In contrast, the previous year's figures include the special item in the Income Statement.

In the case of adjusting the previous year's figures, the so-called negative goodwill of 7.5 million that was incurred as part of the acquisition of the Swiss company Also Comsynt AG is to be reported, according to IFRS, as Other Operating Income and therefore in the EBT. It therefore increases the previous year's EBT, adjusted in line with IFRS, from 37.6 million to 45.1 million. In contrast, in 2004 the negative goodwill pursuant to U.S. GAAP was initially set off against the acquired assets without affecting the operating result. The remaining goodwill of 3.9 million was subsequently reported as non-recurring income and was therefore not included in the EBT. However, it made its presence felt in the earnings after tax.

The effects of the conversion from U.S. GAAP to IFRS are explained in detail in the Notes to the Accounts.

The percentage figures stated in the Management Report are calculated using thousand euro figures. Differences may therefore arise from rounding off the amounts stated in the text in million euros.

OVERALL ECONOMIC ENVIRONMENT AND MARKET DEVELOPMENT

OVERALL ECONOMIC ENVIRONMENT

The world economy remained robust in 2005. Although initial calculations citing growth of 4.3 percent suggest it will not be able to match last year's figure of 5.1 percent, the dynamic, above all of the two top performers China and the USA, remained unbroken.

In the Euro zone the economy saw weaker development than in 2004. Following an increase of 2.1 percent in the previous year, the rate in 2005 was merely 1.3 percent. In this respect, development in the individual countries was heterogeneous. While growth rates in Ireland and Spain, for example, were able to keep pace with those of the world economy, Italy witnessed a persistent recession. The source of growth also varied. Most countries benefited from a jump in domestic economic activity accompanied by a decline in the contribution from foreign trade. By contrast, Germany and Austria's economies were dominated by foreign demand.

Germany's economic situation saw merely moderate development in 2005. The gross domestic product (GDP) increased in real terms by 0.9 percent. The previous year's economic upturn (plus 1.6 percent) therefore weakened slightly. However, in both years the German economy increased at the same rate, by 1.1 percent, in each case with the price and calendar effect taken into account (fewer workdays in 2005 than 2004). Growth was restricted in particular by external influences such as the high oil prices.

As in the previous years, Germany's economic development was almost solely export-driven. It increased further compared with imports, and accounted for 0.7 percentage points of growth. The balance of trade surplus increased by 7.5 percent to a record figure of € 160.5 billion. By contrast, domestic activity produced hardly any notable incentives. Private consumption stagnated while state consumer spending fell by 0.4 percent. Equipment investments were an exception, at plus 4.0 percent and investments in other systems – above all computer software and copyrights – saw an increase of 1.8 percent.

IT MARKET

The IT market is highly heterogeneous as a whole. However, market research institutes and sector associations normally consider IT trading, hardware and software manufacturing and services as a single sector. Trade is only subdivided into private consumers and commercial customers in a few individual cases. This makes it almost impossible to obtain differentiated figures for individual segments. In assessing forecasts, consideration should be given to the fact that the Bechtle Group merely operates in parts of the IT market. Its clientele are made up solely of commercial customers and public contractors.

In addition, sector and special cycles have developed within the IT market which are frequently separate from general market development. At present, for example, software companies are witnessing significantly stronger growth than hardware manufacturers. Niche product suppliers – such as IT security solutions – showed above-average growth rates in a sector comparison, as increased networking has seen the risk of digital viruses and worms produce an increase in demand for security products.

The western European IT market (consumer and business segment) once again increased in 2005. According to the information provided by the EITO market research institute (European Information Technology Observatory), growth amounted to 3.8 percent. This was largely attributable to investments in software with an increase of 5.3 percent and services with a plus of 4.1 percent. In this respect, Spain saw with 6.8 percent the highest growth in the western European IT market. France and Great Britain also saw above-average growth at 4.4 percent and 4.0 percent respectively. By contrast, Germany remained below-average at 3.1 percent. In the Swiss market, which is of importance to Bechtle, growth in 2005 was 3.4 percent. Italy brought up the rear with a 1.0 percent increase.

SLUGGISH DEVELOPMENT IN GERMANY

During the course of 2005, the BITKOM sector association corrected the growth forecast for the German IT market from 3.7 percent to a figure of 3.1 percent. Ultimately, the increase was even slightly weaker, at 2.8 percent. According to information from the association, the volume totalled € 68.1 billion (consumer and business segment). In this respect the IT services saw above-average development with an increase of 4.4 percent to € 27.9 billion, while software grew by 4.5 percent to 16.1 billion. The continuing outsourcing trend, above all, drove the increase in demand



for services. By contrast, price competition has continued, in particular in the case of IT hardware, and resulted in stagnating sales accompanied by increasing quantities. Margins are increasingly coming under pressure in the IT services, as well, due to the increasingly severe price war in the system house market, which is witnessing further consolidation.

The business segment still showed no signs of a lasting end to the lack of investment that has persisted since 2000. Above all, public sector clients were reluctant to invest following new elections and the new government's initially unpredictable fiscal policy. The massive redundancies in manufacturing companies and IT service providers are a key indicator of the persistently feeble sectoral business climate, to say the least.

BUSINESS DEVELOPMENT

REVENUES DEVELOPMENT

With total revenues of € 1.18 billion, the Bechtle Group reached the upper end of a target range of € 1.15 billion to € 1.18 billion in the 2005 financial year. During the course of the year, it became clear that the target of € 1.3 billion set at the start of the year was over-ambitious. In the main, demand for IT products and services fell short of expectations. Only the final quarter saw a noticeable improvement. However, the strong business at years-end was not able to compensate for the weakness in the initial quarters.

Growth in revenues from € 1,088.1 million to € 1,178.3 million amounted to € 90.1 million or 8.3 percent. In this respect, the increase, in comparison to the previous year, was solely attributable to acquisitions. When adjusted by the proportionate revenues of the companies acquired in 2004 and 2005, revenues development fell slightly by 0.9 percent. Acquisitions are an integral part of Bechtle's growth strategy. In the past few years the Group has been able to

benefit from the persistent market consolidation, and carry out the area-wide strategy and expansion of forward-pointing business units with a high dynamic through acquisitions. In this respect, however, a phase of weak development must frequently be taken into consideration until the acquired companies are fully integrated. Bechtle normally sets a timeframe of twelve to 18 months with regard to the integration of a company.

TENDENCY TOWARDS GROWTH IN THE COURSE OF THE YEAR

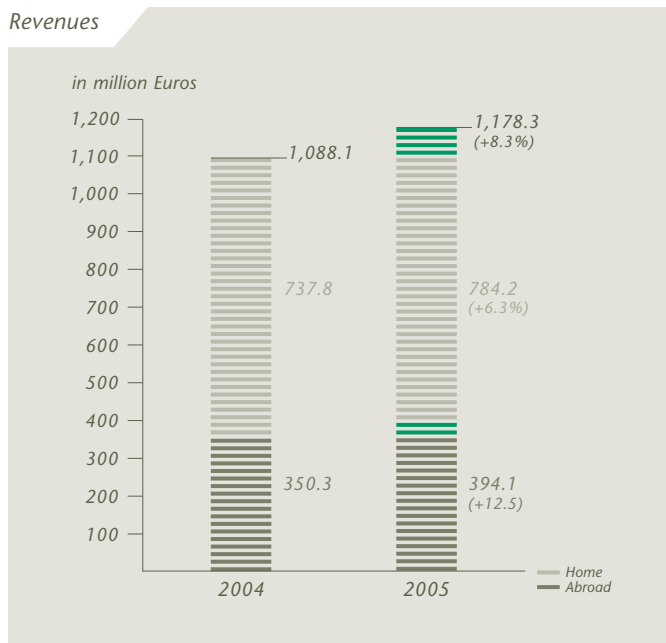
A quarterly assessment of 2005 highlights the strong seasonal nature of the business development, which is customary in the sector. While the first quarter merely accounted for 21.6 percent, the following quarters were characterised by a continually increasing trend. At 30.6 percent, the last quarter produced the highest share of revenues. At the same time, Bechtle's revenues of € 360.4 million over the last three months amount to the highest quarterly revenues in the company's history.

PRICE COMPETITION TAKES EFFECT

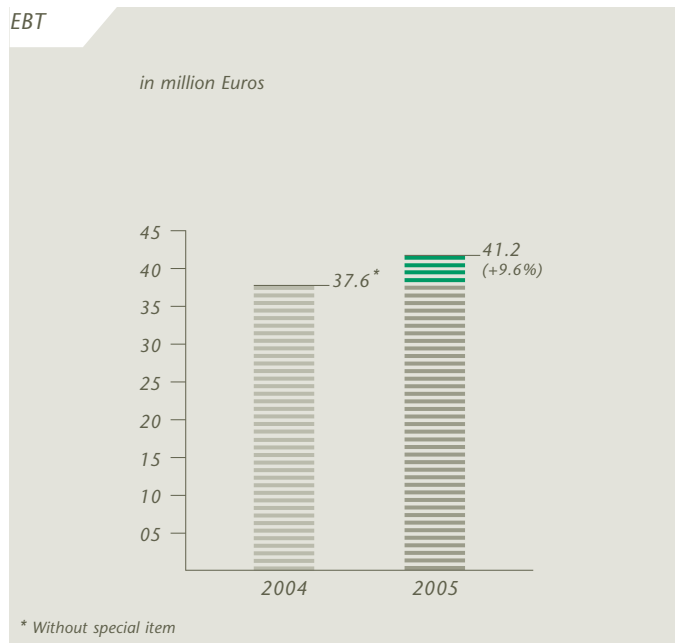
In 2005 revenues per employee fell by 4.8 percent. The figure was calculated on the basis of an average workforce of 3,406 (previous year: 2,996) and amounted to € 346,000 compared with € 363,000 in the previous year. This occurred against the backdrop of the anti-cyclical increase in the system house segment due to company acquisitions – and the corresponding increase in employees – accompanied by persistent pressure on margins in the case of services.

At € 784.2 million or 66.6 percent, the lion's share of revenues was generated at home. At € 394.1 million, the share generated abroad amounted to 33.4 percent. The regional distribution has therefore scarcely changed compared to the previous year. In 2004 the ratio was 67.8 percent for domestic revenues compared with 32.2 percent abroad.

Revenues



EBT



EARNINGS DEVELOPMENT

As a result of the acquisitions the gross operating result of revenues increased by 6.5 percent from € 153.0 million to € 162.9 million. However, at the same time the gross operating result in respect of the total revenue fell from 14.1 percent to 13.8 percent. The reduction is largely attributable to an increase in the personnel expenses quota. In addition, sales costs increased. The increase in absolute terms of € 12.5 million to € 76.1 million is largely attributable to the acquisitions. The percentage increase in relation to revenues amounted to 6.5 percent (previous year: 5.9 percent) and resulted from the establishment of a sales structure with a greater focus on sectors.

The earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 8.5 percent to € 53.1 million (previous year: 49.0 million). The EBITDA margin remained at the previous year's level of 4.5 percent. However, the result was influenced by the liquidation of reserves for court costs to the sum of € 2.3 million, which resulted in a significant reduction in general administrative costs. In relation to the sales revenue, the general administrative costs fell from 5.2 percent to 4.5 percent. The reserves were used for a legal dispute, which was resolved in Bechtle's favour in the year under review, between the company and an Executive Board member who left the company in 2004.

CONSTANT DEPRECIATION RATE

Total depreciation was € 11.9 million (previous year: 11.2 million). Of this, € 7.3 million accounted for the lion's share and were attributable to tangible assets. Depreciation on intangible assets largely applied to established clientele at € 2.0 million and € 1.9 million for acquired software. The depreciation rate remained constant at the low figure of 1.0 percent. The goodwill impairment tests did not give rise to any need for depreciation in 2005, as had also been the case in 2004. In view of the companies acquired in the year under review, depreciation only increased slightly by € 0.7 million or 6.3 percent.

Earnings before interest and taxes (EBIT) improved to € 41.2 million (previous year: 37.7 million). This amounts to an increase of € 3.4 million or 9.1 percent.

EBT MARGIN AT 3.5 PERCENT

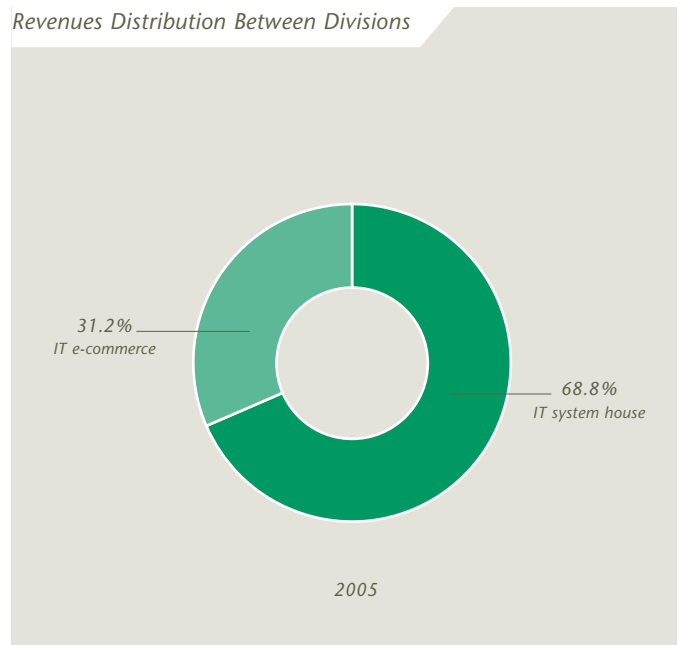
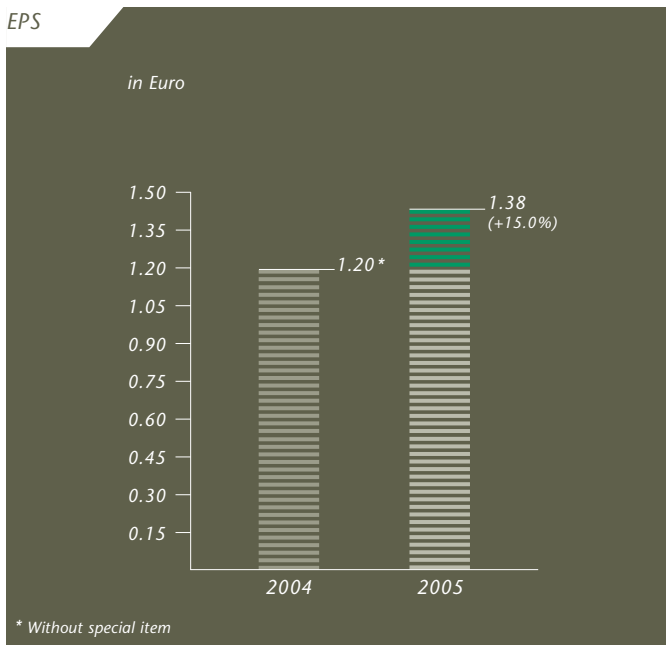
Following almost balanced net interest earnings of € 0.02 million (previous year: minus € 0.2 million), earnings before taxes (EBT) amounted to € 41.2 million, an increase of 9.6 percent compared with the previous year (€ 37.6 million). The EBT – one of the key control parameters for the Bechtle Group – was therefore above the corrected planning, which last totalled some € 40 million. However, the earnings forecast proposed at the start of the year of at least € 42 million was not reached despite the good final quarter. The last three months of 2005 produced € 16.1 million of the EBT. In the entire financial year, the EBT margin was 3.5 percent and remained unchanged compared to the previous year.

In assessing the earnings development in the final quarter, consideration should be given to the fact that the newly established PSB Service GmbH was also initially consolidated beginning in October 2005. This is a company that provides desktop support for customers on site and therefore renders outsourcing services.

The companies consolidated for the first time in 2005 jointly showed an insignificant loss of € 0.1 million.

REDUCED RATE OF TAXATION

At € 11.9 million, the earnings tax expenses in the year under review were slightly below those of the previous year at € 12.3 million, irrespective of higher earnings before taxes. Of this figure, about 95 percent was attributable to domestic expenses (previous year: 80 percent). The rate of taxation therefore fell, following adjustment for the special item, from 32.7 percent to 28.9 percent. In the year under review, the subsequent capitalisation, with an effect on earnings, of deferred taxes on losses brought forward in Switzerland to the sum of € 1.8 million (CHF 2.8 million)



and in the case of the Group subsidiary PSB to the sum of € 0.5 million, amounted to special effects that reduced taxes. Overall, the increasing foreign element in the earnings – in particular due to the low rate of taxation in Switzerland – has had a favourable and sustained effect on the rate of taxation for the entire Group.

EPS GROWTH OF 15.0 PERCENT

At 29.2 million, earnings after taxes were 15.8 percent higher than in the previous year (€ 25.2 million). On the basis of the average of 21,200,000 shares, the earnings per share (EPS) increased to € 1.38. Compared with the previous year, this amounts to growth of 15.0 percent. The adjusted EPS for 2004 amounted to € 1.20 (basis: 21,052,459 shares).

The payment of dividends is based on Bechtel AG's individual statement, which show balance sheet net earnings for the 2005 financial year of € 10.6 million. On the General Shareholders' Meeting the Executive Board and Supervisory Board will propose to pay a dividend per share of € 0.50, compared to € 0.40 in the previous year. 21.2 million shares contain dividend rights. In the previous year, the amount distributed was € 8.48 million. Therefore, Bechtel intends to increase the distribution to shareholders in the year under review by 25.0 percent.

SEGMENT REPORT

The Bechtel Group operates in the two segments IT system house and IT e-commerce. The business model therefore combines services and the direct sale of IT products via catalogues and the internet. Bechtel operates solely on behalf of commercial customers, including in particular regional and up-market SMEs as well as public sector clients, financial institutions and insurance companies.

IT SYSTEM HOUSE

Bechtel's support for the system house customers ranges from IT strategy consulting, supplying hardware and software, project planning and implementation, system integration and servicing to training. In 2005 the company had at its disposal 62 locations in Germany and Switzerland and an almost area-wide system house network.

GROWTH IN REVENUES DUE TO ACQUISITIONS

In 2005, the system house segment generated revenues of € 811.1 million (previous year: 730.0 million) – an increase of 11.1 percent – with an average of 2,804 employees (previous year: 2,430 employees). Bechtel therefore generated 68.8 percent of the Group revenues through the system house business (previous year: 67.1 percent). The sales revenue per employee fell by 3.7 percent from € 300,000 to € 289,000.

At € 662.3 million, the lion's share of the system house revenues was generated at home (81.7 percent). At € 148.8 million, the Swiss system houses accounted for a share of 18.3 percent of the segment revenues in 2005.

The companies acquired in 2005 concerned only the system house segment. The sales revenue contains a total of € 82.4 million from the companies acquired in the year under review. At home, this includes the respective proportion of compartner systems (1 April) and PP 2000 (1 July). The Swiss companies CDC IT (28 February) and Delec (1 May) contributed to the IT system house segment abroad.

IT system house in million Euros



IT e-commerce in million Euros



In comparing 2005 with last year, consideration should be given to the fact that the companies acquired in 2004, i.e. Also Comsynt (1 February), Gate Informatic (1 August), profiCAD and SGB (each on 1 September) are reported in the consolidated annual accounts in full for the first time in the year under review. They account for a revenues volume totalling € 68.0 million, while the proportion in the previous year was € 61.4 million. In 2005 the IT system house did not generate any organic growth. The adjusted revenues amounted to € 711.3 million and therefore remained 2.6 percent below last year's figure (€ 730.0 million).

PRESSURE ON MARGINS IN THE CASE OF SERVICES
EBITDA improved by 7.6 percent from € 25.6 million to € 27.5 million. However, the increase is largely attributable to the liquidation of reserves. The system house sector, which is experiencing further consolidation, is still subject to persistent price competition in the case of services, compared with comparatively high costs. The contribution to operating earnings (EBIT) of the IT system house segment increased in 2005 by 4.5 percent to 18.6 million (previous year: 17.8 million). The EBIT margin fell slightly from 2.4 percent to 2.3 percent.

IT E-COMMERCE

In the second company segment, Bechtle offers its customers IT products by way of direct sales from catalogues and the internet in the nine key western European markets. With effect from the acquisition of the Swiss market leader ARP on 1 January 2004, Bechtle has been pinning its hopes in IT e-commerce via Bechtle direkt and ARP Datacon on a strategy with two brands. In the year under review, this applied to Germany, Austria and Switzerland.

ORGANIC REVENUES GROWTH

In IT commercial operations, the Bechtle Group generated sales revenues of € 367.2 million (previous year: 358.2 million). The 2.5 percent increase was wholly organic. In this respect, the share of the overall revenues was 31.2 percent (previous year: 32.9 percent). On average, 602 employees worked at Bechtle in 2005 (previous year: 470 employees).

Revenues per employee therefore fell by 3.6 percent to € 610,000 (previous year: € 633,000). These figures were affected by the disproportionate building up of the employee numbers for future growth.

In the year under review, Bechtle generated the lion's share of the IT e-commerce segment revenues abroad. At € 245.3 million, the share amounted to 66.8 percent, while domestic trading business accounted for € 121.9 million, and thus 33.2 percent of the segment revenue.

EARNINGS SITUATION SEES FURTHER IMPROVEMENT
EBITDA increased by 9.5 percent in 2005 from € 23.4 million to € 25.6 million. The operating result (EBIT) showed an increase by 13.3 percent from € 19.9 million to € 22.6 million. ARP Datacon's share in the segment earnings was € 6.3 million and decreased compared with the outstanding previous year (€ 8.8 million). However, the reduction was compensated by appropriate increases at *Bechtle direkt*. The EBIT margin once again saw a positive development and increased from 5.6 percent to 6.2 percent. The earnings development in the IT e-commerce segment is the result of leaner business processes that allow for ongoing optimisation of the cost structure, and in the case of growing sales revenues result in a disproportionate improvement in profits.

INVESTMENTS AND FINANCING

Investments totalled € 26.9 million, of which € 18.2 million were attributable to acquisitions. At € 12.4 million, the increases in company acquisitions applied to intangible assets, which was largely goodwill, established clientele and service contracts. At € 8.6 million, the other investments were slightly less than last year's investments of € 9.3 million, and applied to scheduled replacement and expansion investments in tangible and intangible assets. In the 2005 financial year, the investments were juxtaposed to depreciation of € 11.9 million. They were therefore € 0.7 million or 6.3 percent higher than the previous year's figure of € 11.2 million. At a net book value of € 1.1 million, the investment retirements largely applied to outdated and replaced operating and business equipment.

Investments as a whole resulted in an outflow of funds of € 20.8 million, and were financed in full via own funds.

The cash flow from the operating activity decreased by 38.3 percent from € 46.7 million to € 28.8 million. The reduction was largely attributable to an increase in the net current assets.

FINANCIAL AND CAPITAL STRUCTURE

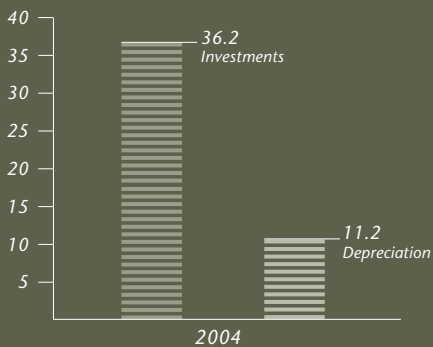
On the reference date 31.12.2005, the balance sheet total of the Bechtle Group amounted to € 413.9 million, and therefore increased compared with the previous year by € 28.1 million or 7.3 percent. The increase is primarily attributable to the acquisitions. The liquid funds, including the marketable securities, decreased by € 13.9 million. At the end of the year they fell to € 51.9 million, following € 65.8 million in the previous year. In addition to the investments made in the year under review – largely in company acquisitions – this was caused by the repayment of loans.

The share of liquid funds (including the marketable securities) in the balance sheet total decreased compared with the previous year from 17.1 percent to 12.5 percent. Together with the free borrowing limits of € 43.7 million, the Bechtle Group still has at its disposal a sound liquid fund reserve of € 95.6 million (previous year: € 106.6 million), which provides adequate scope for further acquisitions and the future expansion. Of the borrowing limits available at the end of the 2005 financial year of about € 48.6 million, Bechtle had merely made use of 9.5 percent for surety credits and 0.6 percent for cash credits.

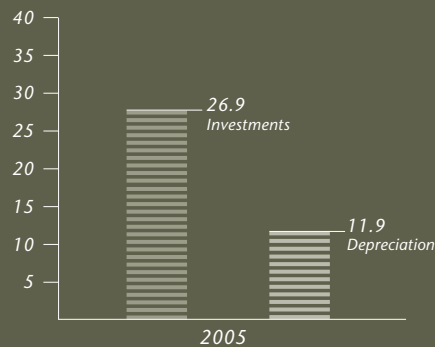
MINIMAL STOCK RETENTION

The short-term assets increased in total by 5.3 percent to € 273.9 million (previous year: € 260.2 million). Thereof, € 164.3 million (previous year: € 142.5 million), and by far the largest share, were attributable to accounts receivable from trading, which considerably exceeded the figures for the quarterly reference days during the year due to the unusually strong final quarter. However, the strict receivables management in place at Bechtle allows for a comparatively low period of overdue accounts of 42 days (ratio of the average accounts receivable to the average daily turnover). Inventories increased due to acquisitions by 14.5 percent to € 41.8 million (previous year: 36.5 million). Stock retention (ratio of inventories to revenues) merely increased slightly from 3.4 percent to 3.6 percent. The low value shows that Bechtle merely ties up low levels of capital in the form of inventories.

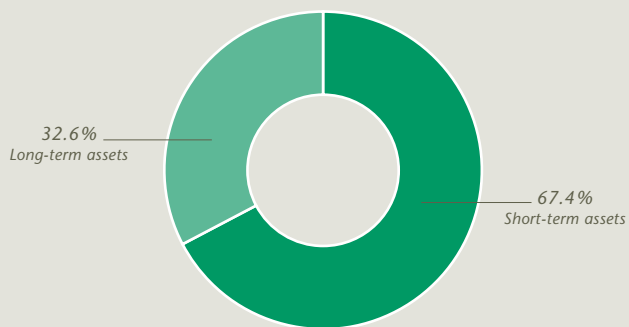
in million Euros



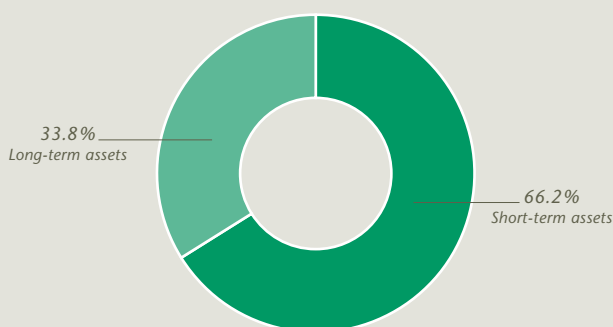
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Asset Structure

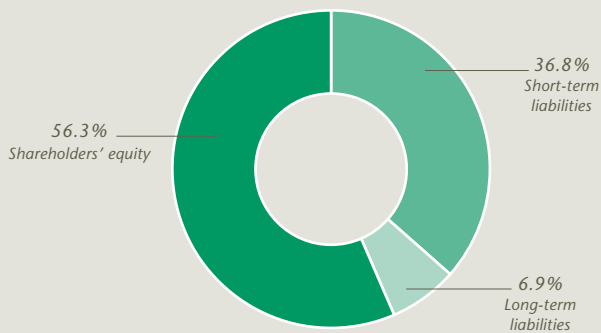


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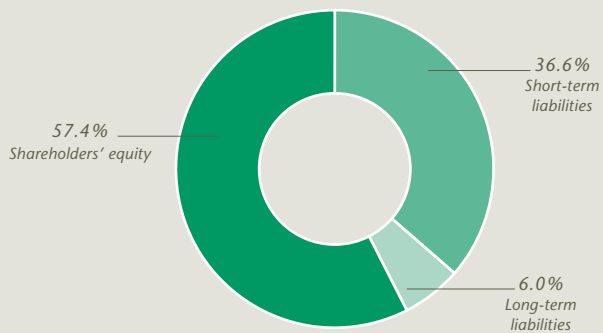


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Liability Structure

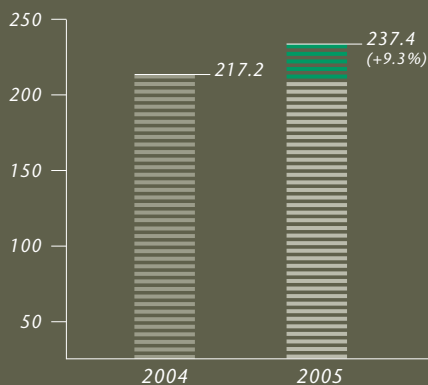


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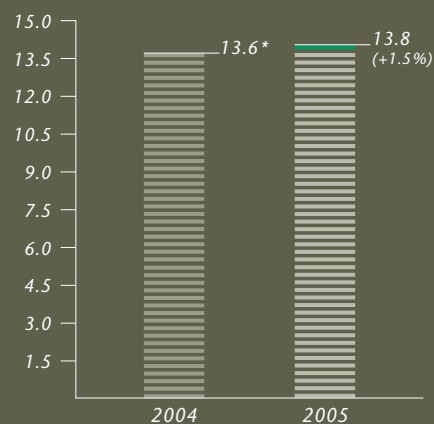


Reference Date 31.12.2005

Shareholders' Equity in million Euros



Return on Equity in million Euros



* Without special item

INCREASE IN GOODWILL

Overall, the share of short-term assets in the balance sheet total decreased slightly from 67.4 percent to 66.2 percent. Accordingly, intensity of investments (share of long-term assets in the balance sheet total) increased from 32.6 percent to 33.8 percent. In absolute terms, the long-term assets increased by 11.4 percent to € 140.0 million (previous year: € 125.7 million). The most significant change was the acquisition-related 9.7 percent increase in goodwill to € 89.5 million (previous year: € 81.6 million). In the year under review, the liquidity ratio of the long-term assets by shareholders' equity was merely slightly reduced from 172.8 percent in the previous year to the nonetheless solid figure of 169.5 percent.

The short-term liabilities increased in the 2005 financial year by 6.7 percent from € 141.9 million to € 151.5 million. The increase is also primarily attributable to the expanded scope of consolidation.

In the year under review, the Bechtle Group reduced its long-term liabilities by 6.6 percent. In this respect, € 5.6 million long-term loans were repaid leaving € 14.8 million yet to be repaid. Overall, the long-term loans on the balance sheet date amounted to € 25.0 million following € 26.8 million in the previous year.

IMPROVEMENT IN SHAREHOLDERS' EQUITY

In the year under review, the shareholders' equity increased by 9.3 percent from € 217.2 million to € 237.4 million. In this respect, the dividend payments for the 2004 financial year at € 8.5 million were a factor in reduction. Irrespective of the increase in total assets and liabilities, the shareholders' equity as a percentage of total assets increased in the year under review from 53.6 percent to 57.4 percent. The return on equity (earnings after taxes in relation to shareholders' equity) increased from 13.6 percent to respectable 13.8 percent.

The Bechtle Group's debt-equity ratio (ratio of outside capital to shareholders' equity) improved in the year under review and amounts to 0.74 following 0.78 in the previous year.

in %



PROCUREMENT AND LOGISTICS

The centrally controlled activities in the Bechtle Group include the procurement of hardware and software. Here Bechtle utilises synergies and scale effects via grouped order quantities. With the exception of Great Britain, goods for all the German system houses and the e-commerce companies are procured chiefly via Bechtle Logistik & Service GmbH at the headquarters in Neckarsulm, a company that is certified according to DIN RN ISO 9001:2000. The English company will be linked to the Group-wide purchasing system during the course of the year.

Bechtle suppliers are solely well-known manufacturers and distributors in the IT sector. There are more than 270 manufacturers and more than 140 distributors throughout Europe. The so-called e-procurement – procurement via electronic processes – is the principal procurement channel for the Bechtle Group. To this end Bechtle uses a Europe-wide logistics concept with all-electronic, countrywide, ordering and delivery processes. The Group therefore has at its disposal its own goods and pricing system as well as a uniform product database, which automatically calculates the respective national prices used by the companies operating throughout Europe.

Each night the so-called European Pricing System developed by Bechtle scans more than 1.3 million price and availability details from IT manufacturers and distributors. The company is able to provide a guarantee of immediate Europe-wide product availability, and giving the most cost-effective price, is selected as a procurement source for ordering the product. Fully-automated and up-to-date product details are therefore available online. The main European database contains some 26,000 products, each with designs for the specific countries. It is available for the system house customers and e-commerce customers.

INCREASING FULFILMENT QUOTA

The so-called fulfilment principle is a key element of the logistics process. Here, ordered goods are delivered directly to the customers by the manufacturers or distributors.

This enables Bechtle to reduce warehouse stocks and therefore the risk of depreciation of the IT product portfolios, which are characterised by short innovative cycles. Outside Germany and Switzerland, almost all orders are processed in the respective country according to the fulfilment principle. This also ensures that the ordered products can be delivered within a tight window, normally 24 hours. At home the share of orders placed by partners via standardised interfaces is continually increasing. In 2005, the overall fulfilment quota in Germany was about 28 percent (previous year: 23 percent), in the e-commerce segment the quota was at 47 percent (previous year: 40 percent).

In addition to the central warehouse in Neckarsulm, the Group has at its disposal a further warehouse in the non-EU country Switzerland, located at the headquarters of the subsidiary ARP. In this case expensive customs provisions do not favour centralisation in Germany.

HIGH STOCKTURN

As a general rule the stock-keeping applies, above all, to products that are required for the service sector – and are not subject to steep drops in prices – and to products that must be capable of being constantly called up for project transactions, such as PCs, printers and monitors. As a security, Bechtle enters into agreements with manufacturers where necessary with a so-called warehouse value equalisation, which guarantees reimbursement over an agreed timescale in the case of price changes. In addition, the high stockturn considerably reduces the risk of depreciation. In the entire year the storage was turned 28 times. In the previous year the turnover factor was 29.

Because the inventory management system controls the purchasing and logistics process electronically on a Group-wide basis, Bechtle has at its disposal standards that not only constitute a competitive advantage, but can also be easily expanded to include new Group companies. The concept allows for a swift integration of newly acquired companies which can access the entire Bechtle system within a matter of weeks.

CORPORATE STRUCTURE & ORGANISATION

In operative business, Bechtle allocates its subsidiary companies to the two segments IT system house and IT e-commerce. Bechtle AG wholly owns all the subsidiaries either directly or via its holding companies. PSB AG and its subsidiary companies, in which Bechtle has a 98.3 percent stake, is the only exception.

In the year under review, the following companies joined the Bechtle Group by way of new start-ups or acquisitions, and have been initially consolidated:

As of 31 January 2005, Bechtle established a new system house location in Bonn and therefore further expanded its presence in the North Rhine-Westphalia region. To this end an experienced team of about 40 employees could be won, due to the insolvency of a competitor. Bechtle benefits here in particular from the existing customer relations among public sector clients.

In addition, the wholly-owned subsidiary company PSB Service GmbH, Gaildorf, acquired the Deskside Support Services Division from IBM as of 1 October 2005. Following this, about 100 employees transferred from the IBM Strategic Outsourcing Division to the Bechtle Group. As part of the agreement, Bechtle assumed the service for about 50,000 PC jobs for some 20 companies, and therefore reinforced its Managed Services business unit. The company operates in the market as an IT infrastructure service provider. Regional service teams and supraregional project teams here provide a combination of fixed contact persons on site and swift, requirement-oriented, services.

In 2005 the following companies joined the Bechtle Group through acquisitions:

- // CDC IT Group, Pfäffikon, Switzerland (28 February 2005)
- // DELEC AG, Gümligen, Switzerland (1 May 2005)
- // compartner systems GmbH, Ratingen, Germany (1 April 2005)
- // PP 2000 Business Integration AG, Stuttgart, Germany (1 July 2005)

All four company acquisitions belong to the IT system house segment.

Furthermore, the operating section "system house" of PSB AG was incorporated in the newly established Bechtle IT system house GmbH & Co. KG, Ober-Mörlen, with effect from 30 April 2005.

Newly established companies that have yet to undertake operations include the Bechtle Managed Service GmbH & Co. KG, Neckarsulm, and TomTech France E.U.R.L., Strasbourg, on 30 June 2005 and 31 December 2005 respectively. It is envisaged that the subsidiary company of TomTech GmbH, Langenselbold, reinforce the IT e-commerce segment.

Further information about the individual companies is available in the Notes to the Accounts in "Acquisitions".

UTILISING SYNERGIES SCALE EFFECTS

As a holding for the company Group, Bechtle AG assumes the strategic corporate planning and the central tasks in



respect of personnel, finances and controlling, corporate communication, investor relations, marketing, computer centre and academy. Bechtle Logistik & Service GmbH holds central responsibility for purchasing, warehouse, installation and product management. The objective consists of freeing up sales in each case from the administrative tasks and simultaneously utilising synergies – via established purchasing and logistics processes, and above all scale effects – through grouping.

FLAT HIERARCHIES

In the Executive Board, Ralf Klenk is the Chairman responsible for finances, corporate planning, communication, personnel and IT. Gerhard Marz is responsible for IT system houses and competence centres while Juergen Schaefer is responsible for the e-commerce Europe segment and logistics & service. The managing directors of the individual locations and subsidiary companies are directly below this executive level.

Through the Group’s company structure, the managing directors run the operating companies as entrepreneur in their respective regional markets. In this regards the earnings-oriented remuneration system supports greater responsibility on the part of the managing directors. The Group’s common strategic alignment is specified by the Group Executive Board, and implementation is guaranteed via ongoing reporting and communication between the Executive Board and the managing directors.

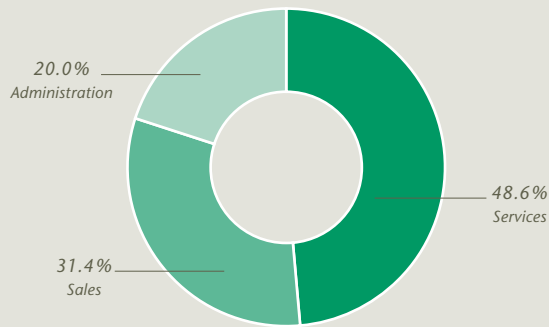
The organisation of the Bechtle Group remained unchanged in the year under review. Details of an adjustment to the organisational structure are set out in the Supplementary Report.

EMPLOYEES

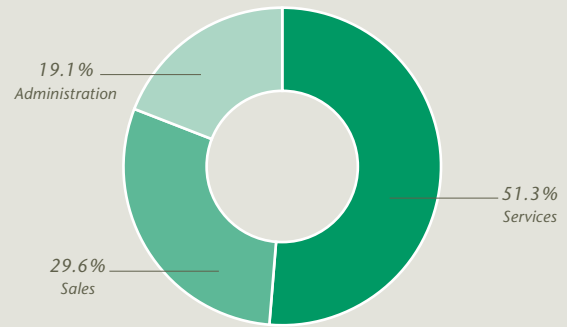
As of 31 December 2005 the Bechtle Group had a total of 3,856 employees in the nine European countries (2004: 3,179). The number of employees has therefore increased by 21.3 percent or 677 employees. On average, 3,406 employees (without apprentices) performed activities on behalf of Bechtle in the year under review. Compared with the previous year, this amounts to an increase of 410 employees or 13.7 percent. As in the previous year, the increase in the Group’s employees is largely attributable to the acquisitions.

In Germany the number of employees at the end of the year increased by 17.7 percent from 2,321 to 2,731. The number of employees active in foreign companies increased by 31.1 percent, from 858 to 1,125. In total, 70.8 percent of the employees therefore perform services in Germany and 29.2 percent in the international companies. In the previous year, the ratio was 73.0 percent in Germany and 27.0 percent abroad.

Divided according to tasks on a Group-wide basis, 1,978 (previous year: 1,545) employees worked in services, 1,143 (previous year: 999) in sales and 735 (previous year: 635) in administration. This development shows that Bechtle reinforced services in particular in 2005 (plus 28.0 percent). Considered by segment, at the end of the year 3,194 employees (previous year: 2,592) were allocated to IT system houses and 662 employees (previous year: 587) to IT e-commerce. Compared with the previous year, this amounts to an increase in the system houses of 23.2 percent, which is almost entirely attributable to the new Bechtle companies since 2005. By contrast, in e-commerce, the growth of 12.8 percent results from new appointments.



Reference Date 31.12.2004



Reference Date 31.12.2005

INCREASED QUOTA FOR PERSONNEL EXPENSES

The expenses for wages and salaries including social security payments increased in 2005 by 14.6 percent due to the increased number of employees, and amounted to € 178.5 million (previous year: € 155.7 million). At the same time, personnel expenses increased disproportionately to those of revenues, so that the personnel expenses quota increased from 14.3 percent to 15.1 percent. The personnel intensity based on the gross profit increased from 58.6 percent to 60.5 percent. The service-oriented – and therefore significantly more personnel-intensive – system house increases are a key reason for the disproportionate increase in personnel costs.

The remuneration model in place at Bechtle for executive personnel and all employees entrusted with sales tasks is based on a mix of fixed and variable parts. The amount of variable remuneration elements is based on the individual performance and goal accomplishment in the case of the operating result. In the case of executive personnel, remuneration is based on achievement of the EBT goals in their companies specified at the start of the year. Bechtle does not offer share option programmes or staff shares.

FURTHER INCREASE IN TRAINING QUOTA

For Bechtle, the qualified training of young people is a central, corporate, obligation that the company has now been pursuing for 21 years. In total 216 school leavers – more than ever before – learned a total of 20 apprenticed professions at Bechtle in 2005, including in commercial and technical areas such as system electronics and service technology and the divisions media design and warehouse management. The apprentices also include students from the vocational academy. The apprenticeships focus on business computing and information technology. In total, Bechtle's high training quota saw a further increase in 2005 – from 5.4 percent to 5.6 percent.

The "Bechtle Academy", established in 1991, plays a key role in providing qualification. It supplements the individual

training at individual locations and accompanies the trainees in the form of a central programme. This includes practical training sessions and seminars on the main subjects such as corporate structure or special examination preparation courses.

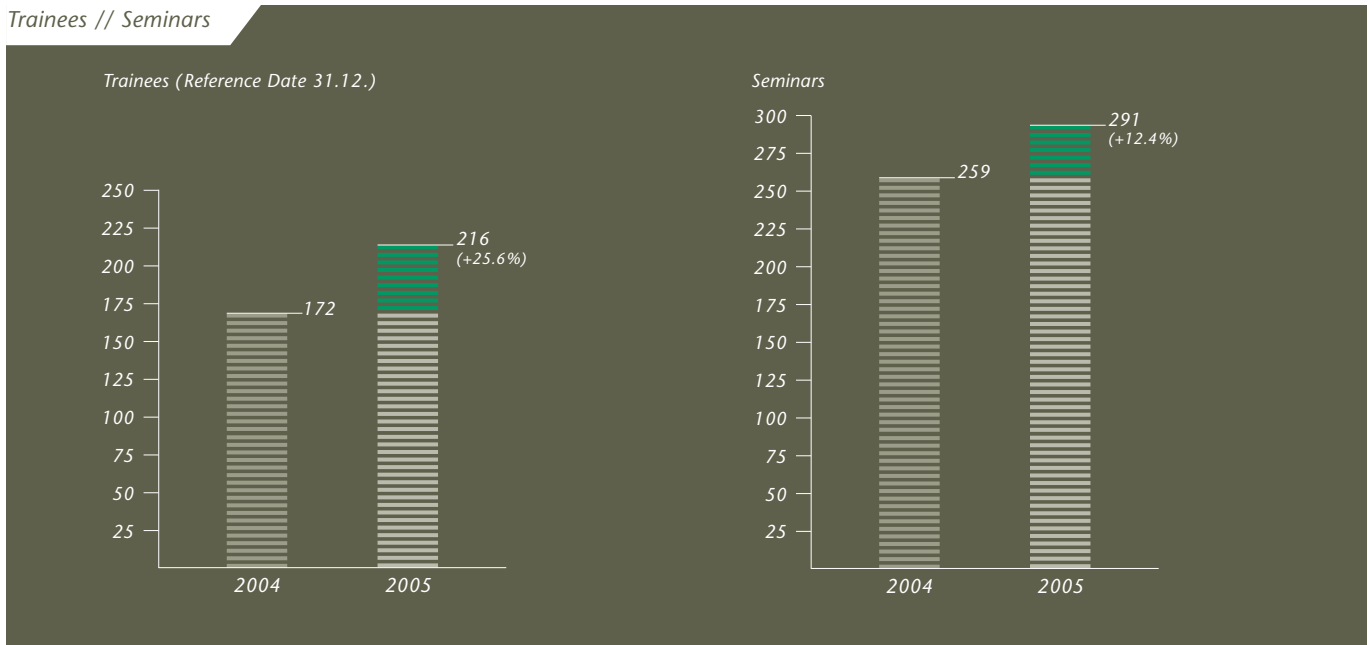
In addition, Bechtle provides each apprentice with an experienced mentor, who provides the trainees with support as contact persons concerning professional and organisational matters. Bechtle also provides security for the future through its training, and normally offers successful trainees a position in the Group subject to a contract of employment.

NETWORKING FROM THE OUTSET

Bechtle has developed the familiarisation programme Mikado for the new employees at all locations. The four-day initial seminar provides, in compact form, information on the key company processes, gives insight into the business model and the company guidelines, and offers training in respect of the key user programmes. Mikado is part of the "learning organisation" promoting internal qualification and utilising existing know-how.

FURTHER TRAINING AT THE BECHTLE ACADEMY

As a technology company, Bechtle organises internal and external professional seminars and product training sessions geared towards the employees' requirement-oriented further training. The programmes are geared towards the demands of day-to-day operations and Bechtle's strategic objectives. In addition, the central seminar programme of the Bechtle Academy also consists of so-called soft skill training sessions to expand communicative and organisational skills which are particularly important for winning over new customers or in project management. In 2005 the seminars focussed on topics associated with sales. In addition, in the year under review the academy launched an internal qualification programme for the position of Junior Account Manager.



INTERNAL KNOWLEDGE TRANSFER

In the case of employee training sessions, Bechtle relies in particular, on internal experts. In this respect, executive personnel and employees train colleagues in their specialised fields. On the one hand, the procedure reduces seminar costs, and on the other promotes the internal exchange of knowledge. In total, the Bechtle Academy provided further training for more than 3,200 participants in 291 seminars in the year under review. In addition to the central seminar programmes, additional internal training measures at the locations and external seminars supplement the further training opportunities.

REPORT ON ENVIRONMENTAL PROTECTION

As a commercial and service company, Bechtle is less affected by environmental requirements than companies in the manufacturing sector. Bechtle is not faced with particular problems as regards noise and pollutant emissions.

However, environmental protection is an important subject for Bechtle in the overall society context. This includes, in particular, measures aimed at conserving resources at the locations. The principles of environmental compatibility and recycling opportunities are observed for disposing of used consumables and packaging materials. In the case of used equipment such as PCs, the company divisions affected ensure that the materials are returned to the materials cycle or are recycled in line with environmental requirements.

EAR REGISTRATION IMPLEMENTED

Bechtle procures approximately ten percent of the goods sold in Germany from abroad. Therefore, as an importer of electrical and electronic equipment, the company is subject to legislation concerning circulating, taking back and disposing electrical and electronic equipment in an environmentally compatible manner (ElektroG). After the law came into force on 23 March 2005, manufacturers and importers are responsible, as of 24 March 2006, for the

recycling of the electrical and electronic equipment they put into circulation. Bechtle has filed an application at the pertinent office for registration in the Electrical Used Equipment Register (EAR) to honour its statutory obligations. This ensures that the imported equipment supplied to German customers can be returned to the materials cycle at the end of its useful life. Bechtle expects to incur annual costs of about € 50,000 due to the ElektroG law.

REPORT ON OPPORTUNITIES AND RISKS / DETAILS ON RISK MANAGEMENT

The central tasks of a value-oriented, responsible company management include making use of entrepreneurial opportunities and simultaneously using foresight to control the risks involved.

The Bechtle Group has access to numerous economic opportunities based on the broad and international range of services it offers. The further development of the company is conditional on identifying such opportunities and potential risks in good time, and assessing them so as to be able to react promptly and appropriately.

OPPORTUNITIES FOR THE BECHTLE GROUP

As a market participant in the IT service and e-commerce market, opportunities arise for Bechtle out of the sectoral and general economic development, and its own corporate structure.

The system house market in Germany and Switzerland has been witnessing a consolidation phase for the past six years. Bechtle AG was able to benefit from this development due to its financial strength, and has reinforced its market position through numerous acquisitions. Against the backdrop of an ongoing consolidation in the sector, and Bechtle's sustained and solid assets and financial situation, the opportunity for strengthening its position and rounding it off with additional acquisitions will arise in the future as well.

SERVICES FURTHER REINFORCED

In the case of sector trends, opportunities arise for Bechtle to further expand the existing strong position in the German system house market, and generate growth. Company customers increasingly expect IT service providers to provide complete solutions "from a single source". With its combination of commercial operations and services, and the mixture of project and service business within the services, Bechtle has the preconditions necessary to benefit from this trend. Outsourcing is the fastest growing IT service sector. Through acquisitions, strategic agreements and special competence centres, Bechtle has positioned itself for this trend and reinforced its position with qualified employees. The outsourcing and managed service projects may, in the future, therefore produce increases in company revenues and earnings. Customer relations in this so-called sales business are normally of a long-term nature, which favours the ability to plan the business development in this area.

INCREASE IN INVESTMENTS EXPECTED

Many companies and, above all, public sector clients have been reluctant to invest in their IT infrastructure over the past few years. This defensive approach has existed for a comparatively long period, and increases the chances for increased willingness to invest, against the backdrop of improved cyclical underlying conditions as well as numerous statutory compliance requirements. The public sector clients could once again become increasingly active due to the investment programme adopted by the government. As early as 2004, Bechtle organisationally orients to public sector clients through the establishment of a so-called line of business, in order to combine existing experience in the service and commercial operations in this area. This results in better opportunities for further orders.

ADVANTAGE OF GROUP STRUCTURE

The corporate structure itself also produces better opportunities for Bechtle. The almost area-wide presence in Germany and Switzerland enables Bechtle to address the regional system houses and local SMEs as well as – in its capacity as the Bechtle Group – to win over supraregional companies and groups which require a large IT service provider as customers. In addition, the Group benefits from the significant scale effects due to the acquired size, the centralised administrative tasks and purchasing and logistics processes. Furthermore, Bechtle utilises the advantages of an international Group for co-operation and partnerships with leading IT manufacturers. As regards knowledge transfer, Bechtle benefits from the possibility to combine

know-how via competence centres and specialised product management teams that is then available centrally to all locations.

On the basis of the acquired market position and the combination of decentralised and centralised company divisions, Bechtle has, overall, created good preconditions to be able to actively seize the opportunities presented by the market.

RISK MANAGEMENT

Pursuant to Article 91 Paragraph 2 of the German Company Law, the Executive Board of Bechtle AG has, in its overall responsibility for the Group, set up a monitoring system for the early recognition and assessment of risk positions. The early risk recognition system is an integral part of the planning, controlling and reporting process.

Bechtle's risk strategy is based on the company's principles and the strategic company objectives which are known to all employees, and which determine daily activity and serve as a guide to all decisions. In addition, the guidelines that apply on a Group-wide basis are part of a systematic and efficient risk management system.

Bechtle has fixed the following, central, risk principles:

Efficient risk management ensures that employees and resources are used so that the company's objectives and implementing the company's vision are not jeopardised. A risk management system is not aimed at avoiding all potential risks. Moreover, risks are to be taken responsibly and limited to an acceptable level with a view to cost optimisation. In this regard, opportunities should not be missed.

At Bechtle, "risks" constitute the failure to reach objectives or the failure to successfully implement strategies. This applies to all internal and external events, actions or failures that constitute a potential threat for Bechtle's success. In this respect the term risk is not limited to unexpected, negative, developments or events. It also refers expressly to the failure of or faulty use of positive developments or opportunities.

The early recognition, analysis and communication of risks is the responsibility of the management of the subsidiary companies as risk taker. Due to the direct presence of the individual Group companies at the customers' premises on site on the one hand, and ongoing market observation on the other, risks can be identified at an early stage in the

direct environment and outside the Bechtle AG business area. All companies are subject to identical parameters which, in the case of systematic application, result in appropriate and effective risk management.

Controlling assumes the central position in risk management through specifying guidelines, methods and tools for risk management and the control of risks involved. The notification of risks from the subsidiary companies therefore converge in one department, and as a result of the accumulation of similar risks reflect the Group's risk situation. In the ongoing risk management process, Controlling also reviews the plausibility of the notified risks and the feasibility of the instituted measures. By way of random samples, it establishes whether the existing and identified risks are regularly investigated and notified accordingly. To assess the risk, parameters are established in terms of quality such as likelihood of occurrence, loss in the case of occurrence and the expected short-term and medium-term risk development. In addition, the monthly assessment of the contribution margin generated via the inventory management system and the financial accounting is a key controlling instrument aimed at identifying risks. Controlling draws up internal reports on the basis of the business data of all consolidated companies.

Controlling files regular, comprehensive and timely reports to the Executive Board on possible risks for the entire Group. Risks that occur at short notice, and risks with effects for the entire Group, are also communicated directly to the Executive Board in urgent cases, irrespective of customary reporting procedure. Bechtle has specified the methods applied to risks in a risk manual that is available to all employees in electronic form.

The auditors review on an annual basis the adherence to, functionality and efficiency of the early-recognition risk system, and its ongoing further development and integration in business processes. The information gathered in this connection is used for further optimisation of risk early recognition and control. Furthermore, the Supervisory Board regularly reviews whether the Executive Board has set up a functioning and efficient risk management system. In this regard it also refers to the auditor's report.

OVERALL ECONOMIC RISKS

Bechtle sells IT products in nine western European countries and in addition offers IT services in Germany and Switzerland. Because the business activities involve the business-to-business and business-to-government area,

Bechtle is dependent on the willingness of companies and the public sector to invest. In the case of persistently weak economic development in the relevant countries, the general tendency to invest in the case of purchasing IT products and in the case of awarding contracts for IT services may fall or delay the time planning for such investments. A mediocre economic dynamic can therefore exert a negative influence on the turnover and earnings situation. Bechtle counters this risk by reinforcing business divisions with above-average growth potential – such as Managed services. In addition, the company endeavours to create growth through winning further market shares, even when there is weak or stagnating sector development.

MARKET RISKS

The entire IT market is witnessing a consolidation phase as a result of insolvencies, take-overs and mergers. The IT trading and service sector is characterised by increasing competition. Products and increasingly services are coming under margin pressure, which is increasing in the light of a more difficult competitive situation and the strained economic situation of many market participants. For an ongoing optimisation of the procurement, throughput and sales process, Bechtle is minimising the market risk of expensive warehousing or the depreciation of stored goods. Here, the situation calls for goods to be procured shortly before delivery to the customer, or commissioning distributors as fulfilment partners. To avoid bottlenecks in the case of extremely restrictive warehousing, the procurement processes are closely linked with the manufacturers' and distributors' systems. In addition, Bechtle benefits from scale effects that exert a positive influence on the earnings situation through volume grouping via the central procurement and logistics processes.

CUSTOMER DEPENDENCY

Although individual Bechtle Group companies are dependent on individual customers, the entire Group enjoys a wide range of customers, and as a whole its existence is therefore not considerably dependent in type or manner on any individual customer. The sector's high customer diversity also spreads the risk of dependency on individual sector economies.

RISKS DUE TO ACQUISITIONS

The Bechtle Group will continue to reinforce its market position through acquisitions. As a general rule, the decision to acquire a company and its integration are associated with a business risk. By the same token, it cannot be ruled out that a company's performance will fall short of expectations. Bechtle takes such risks with comprehensive and cautious due diligence. Acquisitions are prepared, implemented and controlled according to specified and differentiated authorisation regulations and approval processes. In addition, the company management has at its disposal long-standing experience in integrating companies and has established the necessary structures in this respect.

The rapid growth of the Bechtle Group and the new company employees resulting from the acquisitions tie up personnel and organisational resources during the integration phase. However, such risks are combined with considerable entrepreneurial opportunities for the Group's further development. Following the integration phase, the new companies can play a part in the company's growth through synergies and scale effects, and supplementing the Bechtle portfolio.

SUPPLIER DEPENDENCY

Bechtle procures its products from all key, well-known manufacturers and distributors operating in the IT sector. That means more than 270 manufacturers and more than 140 distributors throughout Europe. If a partner serving as supplier is lost, Bechtle is in a position to provide replacement products at short notice. In existential and economic terms, Bechtle is not dependent on any supplier. The manufacturer Hewlett Packard is a prime supplier. A disruption in the business relationship could produce detrimental effects on Bechtle's operational development. However, there are at present no signs suggesting that such a situation may occur.

WARRANTY AND LIABILITY RISKS

In the IT system house segment, Bechtle provides a con-

tractual warranty obligation for supplied systems that is customary in the sector. In this connection, Bechtle passes on the manufacturer's warranties. Furthermore, Bechtle directly processes warranty extensions in dealings with customers. Appropriate reserves have been built up to hedge the risk involved. In addition, the statutory warranty is applicable. The risk of customers lodging claims against Bechtle as part of the warranty – without recourse to the manufacturer – is to be estimated as rather slight. Insofar as Bechtle renders own services and provides a warranty in this respect, its third-party liability insurance provides adequate coverage.

IT AND INFORMATION RISKS

Fundamental information risks arise from the operation of computer-supported databases and from the use of systems for inventory management, controlling and financial planning. An availability risk could arise if the operational readiness of IT systems required for smooth operations is no longer guaranteed. Possible causes would be the loss of hardware, operating errors or disruptions in the case of equipment used for electronic data processing.

In addition, the likelihood and scope of damage by viruses and hackers cannot be estimated. Unauthorised access to the IT systems could, in addition, create a confidentiality risk. An integrity risk, which might arise in general due to incorrect processing, loss of data or faulty data storage, does not concern Bechtle, as far as such risk can be identified.

Bechtle protects systems through firewalls and strict security regulations, among others. The availability of the IT systems here complies with the latest state-of-the-art technology. The company secures operations by way of redundant data lines. All the network links to locations are equipped with back-up lines. With regard to the stability of the e-commerce systems, Bechtle uses several providers with mutual security functions. All key manufacturing systems are in place in duplicate and are subject to a high-availability contract entered into with the manufacturer. In addition, the systems are secured through an uninterruptible power supply and an emergency power system.

Bechtle uses coding and authorisation technologies as well as firewalls for electronically forwarding confidential information. Even if the introduced protective mechanisms and security standards comply with the latest state-of-the-art technology, there is a risk such information could be used unlawfully if such precautionary measures are by-passed.

CREDIT RISKS

Bechtle reduces credit risks by entering into transactions only within specified limits and via banks which enjoy very good credit ratings. Payment transactions are also processed via such banks.

LIQUIDITY RISKS

Appropriate liquidity must be available at all times to honour payment obligations. The occurrence of a liquidity risk is limited, due to the current financial situation of the Bechtle Group, which has at its disposal liquid funds and securities of the current assets of € 51.9 million, free borrowing limits of € 43.7 million and a positive cash flow from ongoing business activity of € 28.8 million. Furthermore, Bechtle AG has at its disposal authorised capital of up to € 10.6 million to increase the shareholders' equity base where necessary.

RISKS DUE TO LOSS OF RECEIVABLES

In the IT system house and e-commerce segments, Bechtle supplies customers with goods or renders services on account. As a general rule, bad debts may occur in the event of customer insolvency. Strict central controlling and ongoing creditworthiness checks minimise the risk at Bechtle.

FOREIGN CURRENCY RISKS

Bechtle is only slightly affected by a foreign currency risk. Goods are procured almost entirely in the Euro zone and in euros. Only in extremely rare, exceptional cases are payments effected in dollars. As a general rule an appropriate currency risk applies in connection with taking out loans in Swiss francs. Direct hedging is provided, in that the cash flows in Swiss francs generated in Switzerland are used to repay such loans. Insofar as appropriate funds are available, the risk is therefore limited.

LEGAL RISKS

As a global Group, Bechtle is required to comply with different national laws. This may give rise to risks in respect of legal transactions – for example in respect of the preparation of contracts – that Bechtle deals with, where applicable, by way of legal council. The legal dispute between Bechtle AG and an Executive Board Member who left the company in 2004 was successfully concluded in 2005. The company is currently not involved in legal disputes that could result in considerable negative effects on the Group result.

LIABILITY RISKS

Bechtle has taken out insurance policies with coverage against various liability risks. The scope of the insurance coverage is reviewed on an ongoing basis and adjusted where necessary. Financial effects of insurable risks should, therefore, be ruled out or be limited.

PERSONNEL RISKS

Bechtle's economic success is conditional, to a large degree, on its employees' commitment and know-how. If executive personnel or qualified employees leave the company and an adequate replacement cannot be found quickly enough, this may have a detrimental effect on Bechtle's business development in the affected areas. The objective therefore consists of winning specialists and executive personnel for the company, successfully integrating them and establishing loyalty on a permanent basis.

Due to the strong consolidation in the IT market, there is currently no shortage of well-trained sales employees. In contrast, finding replacements for highly-qualified IT specialists can be more difficult in individual departments. In such cases this may result in a risk for the operative business development. However, in the sector Bechtle is seen as an attractive and stable employer, which is not least demonstrated by the sharp increase in the number of qualified and experienced applicants.

OVERALL RISK

As in the case of any global company, numerous business opportunities and risks are available to Bechtle. In the final analysis, it is clear that for Bechtle prime importance is attached to the market risk resulting from cyclical-dependent investment cycles. Bechtle carefully controls the internal tasks and business processes, and these are therefore less risk-prone. Furthermore, detailed planning and control processes – which include daily business development assessments – limit such risks.

According to Bechtle, the existing risks are limited and manageable. They do not constitute a danger to the company's existence. This is underlined by a risk assessment by a third party. In addition to the internal risk assessment, the creditworthiness or risk of bad debts on the part of Bechtle are permanently assessed and monitored among others by banks and credit investigation agencies. In this respect Bechtle is assessed with a low likelihood of bad debts of 0.08 percent to 0.35 percent (in relation to one-year period that is customary in the market). This matches the creditworthiness assessments for Bechtle AG which are

available at the credit investigation agencies Bürgel and Creditreform (creditworthiness index Bürgel: 1.2 and Creditreform: 110, status: February 2006). Based on these bad debt probabilities, Bechtle's rating on the Standard & Poor's scale, employed globally in the financial markets, is calculated at BBB+. In the bank-wide six-tier rating scale IFD (Initiative for Germany as a Financial Location), Bechtle enjoys the best rating I (loss of bad debts up to 0.3 percent per year). In addition, the company has an A- listing from SES Rating GmbH (status: September 2005).

Bechtle's liquidity base is healthy, while the shareholders' equity as a percentage of total assets is above-average at 57.4 percent. Overall, no risks exist that threaten the continuation of the company's existence. The Executive Board is therefore convinced that the challenges and opportunities resulting from Bechtle's leading position in the relevant markets, the committed employees and the efficient processes will be successfully utilised in the future as well.

SUPPLEMENTARY REPORT

ACQUISITION IN THE NETHERLANDS

As of 1 January 2006, Bechtle acquired, via its wholly-owned subsidiary ARP Holding AG, Rotkreuz, Switzerland, 100 percent of the shares in the three companies of Artikona Holding B.V., which operate in the Netherlands. The Maastricht and Amsterdam locations have a total of 49 employees. ARP therefore has at its disposal the first non-German speaking locations. The acquisition is part of the further international expansion strategy of the Swiss e-commerce subsidiary.

In the 2005 financial year, Artikona generated EBT of € 1.5 million with revenues of € 19.6 million. The trading companies focus on the sale of high-margin IT products such as accessories and consumables and the printing business, including service and maintenance contracts. Bechtle expects to see synergies in particular, due to Artikona's access to ARP's online trade know-how. Furthermore, the purchas-

ing company ARP, which is located in Taiwan, can expect to utilise scale effects.

NEW ALIGNMENT OF ORGANISATIONAL STRUCTURE

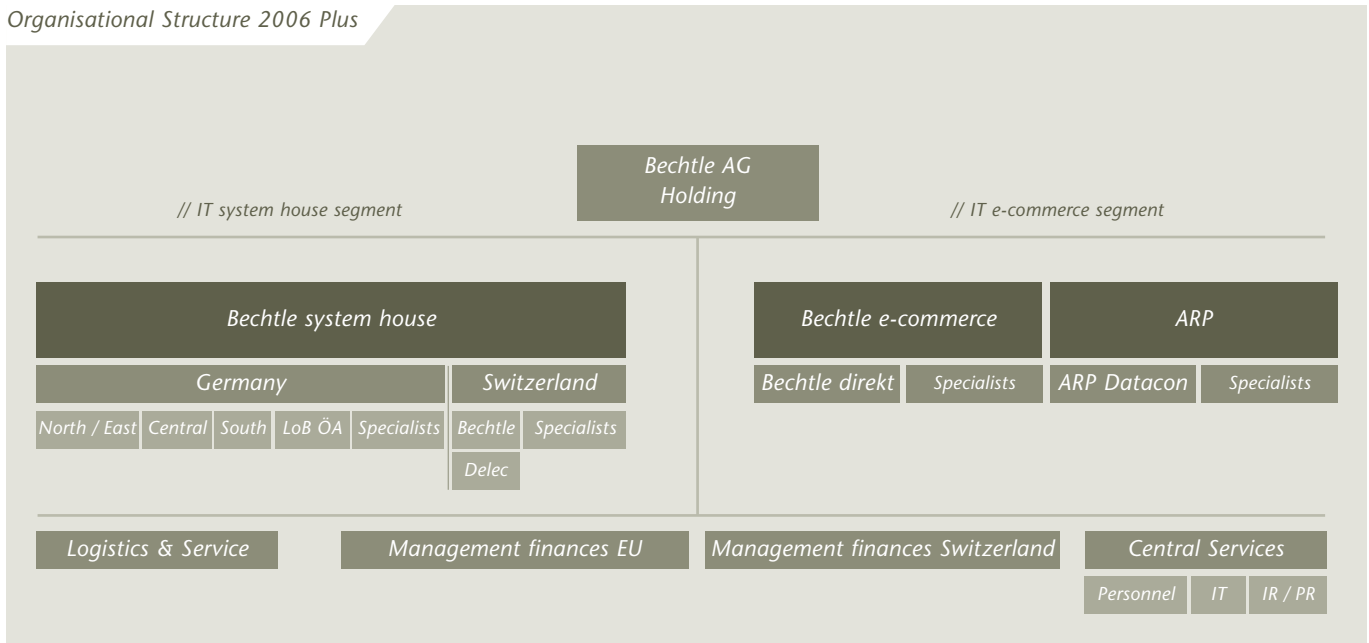
Following a dynamic growth phase with numerous acquisitions and start-ups, Bechtle implemented a realignment of the organisational structure in February 2006.

Prime importance is attached to two aspects: securing the decentralised approach that is strategically important for Bechtle, and establishing scalable modular structures geared towards Bechtle's future growth. The most important element of the new organisational structure is the separation of the strategic Group management by the Executive Board from the management of the operative units by divisional managers. Bechtle will therefore not only be addressing the increasing company size. It will pave the way for further high efficiency levels in controlling and managing the Group. In addition, the new structure guarantees the continuity of the decentralised responsibility of the subsidiary companies within the Bechtle Group.

In the IT system house segment, divisional managers coordinate the activities of the Bechtle system houses, divided into the four regional areas of responsibility Germany North/East, Central and South and Switzerland. Furthermore, the Public Sector Line of Business (LoB ÖA), which specialises in institutions, and the teams of specialists (e.g. for software solutions and services) in Germany and Switzerland, are each led by a divisional executive board.

In e-commerce Bechtle is further pursuing a multiple brand strategy, which is also reflected in the responsibilities of the two divisional managers, one of whom is responsible for the Bechtle direct companies and their specialists and the other for the ARP companies.

In the case of the units grouped together under "Central Services", the new organisational structure envisages a separation in a divisional management finances for all EU companies and the Group consolidation, and in a divisional



management finances, which holds responsibility for the financing of all Swiss companies. The central Logistics & Service area will not be changed in management allocation. The other central service units Personnel, IT and Investor and Public Relations will remain directly under the responsibility of the Group Executive Board.

The divisional managers report directly to the Group Executive Board, whose membership remains unchanged.

OUTLOOK

OVERALL ECONOMIC ENVIRONMENT

According to the forecasts of the International Monetary Fund, the world economy will maintain its growth rate, and in 2006 should, as in 2005, expand by 4.3 percent. Growth is expected to be driven primarily by Asia. The USA also remains one of the main drivers of the world economy, despite a slight predicted slowdown in growth. The biggest risks for the world economy continue to stem from the high prices of raw materials, primarily crude oil, combined with the geopolitical tensions in the Middle East.

According to Eurostat's calculations, the Euro zone economy should gather momentum and grow by 1.9 percent in 2006. Fixed investment by firms is predicted to be the main bearer of growth. Private consumption is also set to grow, yet will not be able to create impetus in all countries. In addition to high oil prices, possible interest rate rises by the European Central Bank also represent a risk to the Euro zone economy.

The economic climate in Germany is also expected to show a noticeable improvement in 2006. The leading German economic research institutes have increased their forecasts, and predict GDP growth in Germany of between 1.4 and 2.0 percent. Alongside continuing strength in exports, business investment should contribute to the economic revival as well. Impetus is also expected to result from the improved depreciation conditions. The institutes expect pri-

vate consumption to show a short-term rise too, yet this is likely to be a one-off effect resulting from the forthcoming VAT increase in 2007. Business sentiment is positive at the year's outset: in February the ifo business climate index climbed to its highest level in 15 years.

IT MARKET

According to market researchers, the IT market (business and consumer segment) is set to show further overall growth in 2006. The EITO experts predict 4.2 percent growth for Western Europe. Software (with 5.6 percent) and IT services (with 4.9 percent) are again expected to be the main drivers of growth. Spain is once again set to exhibit the strongest growth (6.7 percent), with Italy – despite an improvement on the previous year – continuing to bring up the rear with 2.3 percent. EITO predicts growth in Germany of 3.4 percent. The sector association BITKOM also reckons on an overall rise of 3.4 percent for the German IT market, reaching volume of 70.5 billion Euros. According to BITKOM, the software (5.5 percent) and IT services (4.5 percent) segments should grow at an above-average rate. In the service sector, sales volume is predicted to be 29.1 billion Euros in 2006. Demand is forecast to pick up, according to the association, primarily due to the investment activity among mid-sized companies. The outsourcing trend also remains a bearer of growth. Turnover in the hardware sector, on the other hand, is forecast to grow at a below-average rate of just 0.9 percent, to 24.4 billion Euros, due to stiff price competition.

The Experton Group market research institute also forecasts bright growth prospects for the German IT market as a whole. In the IT services and software sectors, Experton predicts an average annual increase over the next three years of between 5.0 and 7.0 percent. Outsourcing projects in particular, with an annual growth rate of between 9.8 and 12.7 percent, are set to contribute significantly to the development of the IT services market.

In 2006, the replacement and modernisation of existing IT systems will initially remain the vital generator of impetus in the IT sector. At the same time, investment pressure is set to further increase this year and in the coming years due to three factors:

Firstly, a sustained defensive investment policy has persisted since the year 2000 in business and public spending, meaning existing IT systems have already reached or surpassed their average life-cycle, and need to be modernised. Second, companies have begun to expand again following years of rationalisation, and to this end require a modern IT infrastructure. Thirdly, increased legal compliance requirements make secure, high-performance business IT a necessity.

According to market research institutes, the Basel Capital Agreement (Basel II), effective from 1st January 2007, and rules such as the Sarbanes-Oxley Act, will lead to increasing investment in robust, up-to-date IT environments with high security standards. The IT security solution sector is thus expected to see a boom in demand. In addition, the emergence of data, currently doubling on average every twelve months, makes investment in effective storage technology necessary.

Against a backdrop of investment programmes agreed upon by the government, heightened impulses should also be seen in Germany from public sector clients. Another motor for growth in the IT market is the increasing significance of e-business, in particular for mid-sized companies.

In the business and government segments, of relevance to the Bechtle Group, the Bechtle management board is not yet predicting any strong overall momentum in 2006 despite positive trends. Rather, it expects moderate growth of between one and three percent. The forecast is thus below that of market researchers, as market development is likely to be positively influenced in 2006 in particular by the effects of spending being brought forward in the consumer segment due to the VAT rise planned for 2007.

BECHTLE BUSINESS DEVELOPMENT

During the current financial year, consolidation is in the foreground for Bechtle. After having strengthened itself in the last two years through ten acquisitions and 1400 new employees, in 2006 the internal conditions for further growth in the coming years should be created. This includes, in particular, the establishment of the new organisational structure (see Supplementary Report) and the

complete integration of companies acquired over the past two years.

In addition, orientation towards an even more service- and solution-oriented offering will play a central role in 2006. In order to take advantage of future growth potential, Bechtle will invest in, among other things, the expansion of the Managed Services area (outtasking / outsourcing), as well as in the continued training of employees, especially in project management.

In the commercial division, the launch of further internationalisation of the ARP subsidiary is planned. In the medium term, Bechtle plans to operate with two IT e-commerce brands in all nine markets in which the Group is already represented by its own foreign subsidiaries.

REVENUES AND EARNINGS TARGETS 2006

In spite of these plans, the management board expects revenues growth in 2006 to once again exceed that of the market, lying between six and ten percent, meaning revenues are predicted to climb to between 1.25 and 1.30 billion Euros. Both divisions should contribute to this, but with the e-commerce businesses achieving a higher growth rate.

With regard to pre-tax earnings, due to current service-oriented focussing and structural changes, Bechtle expects a Group-wide result akin to the previous year.

Particularly in the first half of 2006, the Executive Board expects further integration effects for the IT system houses, stemming from business takeovers in the previous year. Moreover, the reorganisation of responsibilities detailed in the Supplementary Report is only likely to contribute to increased vitality in the business development of the two divisions in the second half of the year at the earliest. In addition, the service-oriented Managed Services area is only likely to fully establish itself later on in the year, following the strategically important step for Bechtle in this field of the future with the takeover of Deskside Support Services from IBM in October 2005.

At the time of the creation of the current annual report, revenues and earnings forecasts for the year as a whole have fundamentally limited reliability, due to seasonal business trends and, in particular, the disproportionately high importance of the final quarter. The Executive Board continually reviews the planning for the financial year, and will specify its forecasts more precisely through the publication

of the semi-annual report on 11th August 2006.

ACQUISITIONS

During the current financial year, purchases of IT system houses are not fundamentally ruled out – they do not have priority, however. On the other hand, should suitable chances arise to strengthen Bechtle's service offering in addition to furthering area coverage, the Group is in a position to undertake further business acquisitions thanks to its sound funding. No takeovers are planned for 2006 in the commercial division.

INVESTMENTS

Investment in the maintenance, extension and rationalisation of business operations will decline somewhat in 2006 on the previous year; in 2005 the introduction of the complete enterprise resource planning system for the further expansion of ARP, including the online trading platform, took up a substantial proportion of investment. During the current year, only the usual replacement investment is scheduled, for which around ten million Euros are designated.

FINANCIAL STATUS

The Bechtle Group has a solid balance sheet structure, and is endowed with ample financial resources to grow organically. Provided that no substantial takeovers occur in the current financial year, the balance sheet structure will see no significant changes. The planned investments can be financed with internal resources, rendering additional financial requirements unnecessary.

EMPLOYEES

With an unchanged consolidation basis, the Board assumes that the number of employees will only change marginally in 2006.

DIVIDENDS

Bechtle wishes to continue its continuity-oriented dividend policy during 2006. When calculating dividends, the Board will in future continue to consider shareholders' entitlement to direct participation in the success of the business, as well as looking at funding requirements for further corporate growth.

OUTLOOK UP TO 2010

Corporate strategy, designed to secure market position over the long term, primarily pursues the sustainable acquisition of market share. In developments over the short term, integration expenses may arise, emanating primarily from company takeovers, which serve to distort results.

Over the medium to long term, however, Bechtle expects a continuation of positive business development.

In the e-commerce division, the Board is expecting primarily organic growth, while in the IT system house division, selected acquisitions can serve to supplement the firm's regional and technical position. The increasing proportion of services in the IT system house division, combined with streamlined processes in the commercial division, should serve to drive up Group revenues to the two billion mark by 2010, with profitability growing simultaneously.

Neckarsulm, 8 March 2005

Bechtle AG

The Executive Board

// **CONSOLIDATED ANNUAL ACCOUNTS**
as of 31 December 2005

// **CONSOLIDATED INCOME STATEMENT IN ACCORDANCE WITH IFRS**
from 1 January to 31 December 2005 (2004)

in th. Euros

INCOME STATEMENT	NOTES	01.01. - 31.12.2005	01.01. - 31.12.2004
Revenues	(16)	1,178,269	1,088,133
Cost of revenues	(18)	1,015,372	935,169
Gross profit		162,897	152,964
Sales and marketing expenses	(18)	76,117	63,660
General and administrative expenses	(18)	53,016	56,369
Other operating income of it special item *	(17)	7,431 0	12,328 7,516
Operating income		41,195	45,263
Interest income		943	592
Interest expenses		966	775
Earnings before tax		41,172	45,080
Income tax	(19)	11,886	12,290
Earnings after tax		29,286	32,790
Minority interest of earnings after tax		-50	-35
Earnings after tax without minority interest		29,236	32,755
Net earnings per share (undiluted) in Euro	(20)	1.3791	1.5559
Net earnings per share (diluted) in Euro	(20)	1.3791	1.5559
Weighted average shares outstanding (undiluted)		21,200	21,052
Weighted average shares outstanding (diluted)		21,200	21,052

* Special item of previous year: recovery of negative goodwill with effect on net income from the first-time-consolidation of the acquired ALSO COMSYT AG, Switzerland on 5 February 2004.

The attached notes are integral constituent of the financial statement.

// CONSOLIDATED BALANCE SHEET IN ACCORDANCE WITH IFRS
as of 31 December 2005 (2004)

in th. Euros

ASSETS	Notes	31.12.2005	31.12.2004
CURRENT ASSETS			
Cash	(1)	48,178	61,497
Marketable securities	(2)	3,736	4,296
Trade accounts receivable, net	(3)	164,291	142,462
Inventories	(4)	41,829	36,541
Tax receivables	(5)	2,801	3,894
Prepaid expenses and other current assets	(5)	13,064	11,510
Total current assets		273,899	260,200
NON CURRENT ASSETS			
Tangible assets, net	(6)	18,567	17,433
Investment property	(7)	2,646	0
Intangible assets, net	(8)	20,195	18,184
Goodwill, net	(9)	89,519	81,607
Loans	(10)	1,688	1,625
Deferred tax assets	(19)	7,432	6,813
Total non current assets		140,047	125,662
Total assets		413,946	385,862

The attached notes are integral constituent of the financial statement.

in th. Euros

LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31.12.2005	31.12.2004
CURRENT LIABILITIES			
Short-term loan and short-term portion of long-term loan	(14)	7,008	6,854
Trade accounts payable		92,378	85,152
Advance payments received		4,638	3,931
Other accrued expenses	(12)	8,463	10,175
Income tax payable		5,578	5,714
Other current liabilities	(13)	27,812	26,324
Deferred income		5,597	3,768
Total current liabilities		151,474	141,918
NON CURRENT LIABILITIES			
Long-term loans, less short-term portion	(14)	14,772	20,387
Deferred income		1,555	213
Pension accruals and similar obligations	(11)	559	0
Other accrued expenses	(12)	620	340
Deferred tax liabilities	(19)	7,519	5,843
Total non current liabilities		25,025	26,783
SHAREHOLDERS' EQUITY			
Share capital	(15)		
21,200,000 shares issued with par value of Euro 1.00		21,200	21,200
Additional paid-in capital		143,454	143,454
Retained earnings		72,549	52,002
Shareholders' equity before minority interest		237,203	216,656
Minority interest on shareholders' equity		244	505
Total shareholders' equity		237,447	217,161
Total liabilities and shareholders' equity		413,946	385,862

// STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY IN ACCORDANCE WITH IFRS

from 1 January to 31 December 2005 (2004)

in th. Euros

	Number of ordinary shares issued	Share capital	Additional paid-in capital
Shareholders' equity as of 1 January 2004	20,200,000	20,200	134,515
Capital increase	1,000,000	1,000	9,000
Dividends paid 2003			
Earnings after tax 2004			
Granted stock options			-37
Costs of capital increase			-24
Exchange adjustment			
Adjustment for available-for-sale securities			
Adjustment for derivative instruments			
Adjustment for minority interest			
Shareholders' equity as of 31 December 2004	21,200,000	21,200	143,454
Shareholders' equity as of 1 January 2005	21,200,000	21,200	143,454
Capital increase	0	0	0
Dividends paid 2004			
Earnings after tax 2005			
Granted stock options			0
Costs of capital increase			0
Exchange adjustment			
Adjustment for available-for-sale securities			
Adjustment for derivative instruments			
Adjustment for minority interest			
Shareholders' equity as of 31 December 2005	21,200,000	21,200	143,454

The attached notes are integral constituent of the financial statement.

	Retained earnings		Shareholders' equity before minority interest	Minority interest on shareholders' equity	Total shareholders' equity
	Cumulative revenue	Changes in shareholders' equity not effecting operating result			
	26,069	-560	180,224	614	180,838
			10,000		10,000
	-6,360		-6,360		-6,360
	32,755		32,755	35	32,790
			-37		-37
			-24		-24
		164	164		164
		-63	-63		-63
		-3	-3		-3
			0	-144	-144
	52,464	-462	216,656	505	217,161
	52,464	-462	216,656	505	217,161
			0		0
	-8,480		-8,480		-8,480
	29,236		29,236	50	29,286
			0		0
			0		0
		-345	-345		-345
		63	63		63
		73	73		73
			0	-311	-311
	73,220	-671	237,203	244	237,447

**// CONSOLIDATED CASH FLOW STATEMENT TO THE ANNUAL ACCOUNTS IN
ACCORDANCE WITH IFRS**
from 1 January to 31 December 2005 (2004)

in th. Euros

	01.01.-31.12.2005	01.01.-31.12.2004
CASH FLOW FROM OPERATING ACTIVITIES		
Earnings before tax	41,172	45,080
The recovery of the negative goodwill as an other operating income	0	-7,516
Earnings before tax and before the recovery of the negative goodwill	41,172	37,564
Depreciation and amortisation	11,926	11,218
Gains/ losses on the disposal of tangible assets	53	575
Changes in net working capital incl. accrued expenses	-13,130	6,851
Others not effecting payments on income / expenses	-155	51
Net cash provided by operations	39,866	56,259
Income tax paid	-11,743	-10,037
Interest payments received	699	468
Net cash of operating activities	28,822	46,690
CASH FLOW FROM INVESTING ACTIVITIES		
Payments on acquisitions, net of cash acquired	-14,180	-28,877
Payments on tangible assets	-8,551	-8,508
Deposit from sale of equipment	1,008	1,017
Payments on short and long-term financial assets	-80	-2,985
Deposit from sale of short- and long-term financial assets	902	521
Net cash used in investing activities	-20,901	-38,832
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of share capital	0	9,976
Deposits from short or long-term borrowings	290	21,023
Cash repayments of amounts borrowed	-12,023	-4,238
Dividend payments	-8,480	-6,360
Interest payments performed	-1,004	-575
Net cash used in (provided by) financing activities	-21,217	19,826
Net effect of currency differences	-23	185
Decrease / increase in cash	-13,319	27,869
Cash at beginning of period	61,497	33,694
Cash at end of period	48,178	61,563

The attached notes are integral constituent of the financial statement.

// **NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS**
Financial Year 2005

// NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS (IFRS)

for the 2005 Financial Year

I. BASIC COMPANY INFORMATION

The legal form of the Company, registered in Neckarsulm (Germany), Bechtle Platz 1, was changed in May 1999 from Bechtle GmbH into Bechtle Aktiengesellschaft (hereinafter referred to as "Bechtle" or "the Company"). The company's shares were admitted for trading on the Neuer Markt of the Frankfurt Stock Exchange on 30 March 2000. Since 30 December 2002, the company's shares have been listed on the Prime Standard segment of the official regulated market of the Frankfurt Stock Exchange (floor trading and trading the XETRA electronic trading system). At the same time, the listing of the shares on the Neuer Markt was withdrawn. In addition, the shares of the company are traded in the official regulated markets of the Berlin-Bremen, Duesseldorf, Hamburg, Hanover, Munich and Stuttgart stock exchanges. The company is listed under International Securities Identification Number (ISIN) DE0005158703. In September 2004, Bechtle was admitted into the TecDAX index, which comprises the Prime Standard's 30 largest companies of the technology sector which are not in the DAX index.

The business in which Bechtle AG and the principal subsidiary companies included in the consolidated financial statements are involved is the distribution of IT and communication product applications including the necessary components (hardware and software), training courses, organisation and application consultancy services, project management and the preparation of expert appraisals in the field of computer applications.

The business in which the parent company is involved also includes the acquisition, management and sale of shareholdings in other companies, plus the assumption of the personal liability and management of retail companies. The Company is also involved in financing, the handling of accounting, marketing, personnel management and training for the employees of companies within the group.

II. SUMMARY OF KEY ACCOUNTING, VALUATION AND CONSOLIDATION PRINCIPLES

General Information

As a publicly listed company, the parent company prepares its consolidated annual accounts on the basis of article 315a of the German Commercial Code (HGB) in accordance with the International Financial Reporting Standards (IFRS), as published by the International Accounting Standards Board (IASB) and adopted by the EU. All International Financial Reporting Standards (IFRS) – formerly International Accounting Standards (IAS) – and interpretations of the International Financial Reporting Interpretations Committee (IFRIC) – formerly Standing Interpretations Committee (SIC) – applicable in the financial year 2005 were taken into account.

The German companies within the group have prepared their accounts and records in accordance with the provisions contained in the German Commercial Code (HGB). Foreign companies within the group have prepared their accounts and records in accordance with the local provisions. German commercial law and the local accounting principles applied in the foreign companies within the group deviate in key aspects from the International Financial Reporting Standards (IFRS). Any adjustments that were necessary to complete the financial statements in accordance with IFRS have been made.

The consolidated accounts were prepared, in principle, on the basis of historical acquisition cost or cost of revenues. Exceptions were marketable securities and derivative financial instruments which were valued at their fair value. The consolidated accounts were prepared in the Euro currency and were rounded up to full thousands, unless otherwise stipulated.

Consolidation Principles

The consolidated annual accounts are based on the annual accounts of Bechtle Aktiengesellschaft and the included subsidiaries, which were prepared according to standard group accounting and valuation methods. Capital consolidation is carried out by offsetting net book values against the proportionately revalued shareholders' equity of the subsidiaries at the time of acquisition. Positive differences are capitalised according to IFRS 3 under intangible assets as goodwill. Negative differences are to be entered in the income statement. The consolidated income statement includes the earnings of the acquired companies from the time of the actual acquisition, i.e. at the time the Company acquired control of the respective subsidiaries. The respective subsidiaries are included in the consolidated financial statements until such time as the parent company ceases to exercise control.

Intragroup profits and losses, revenues, expenses and income, plus accounts receivables and liabilities have been eliminated. The necessary tax deferrals for the consolidation transactions were made.

Notes on Conversion to IFRS

The transition from U.S. GAAP to IFRS was made by applying the procedures set out in IFRS 1. The date of transition to IFRS is the start of the financial year on 1 January 2004. As a basic principle, the assumption was made that the IFRSs in force on the date on which the financial statements were published had always been used. The fixed values from the capital consolidation in accordance with IFRS 1 has been retained for all companies consolidated for the first time before 1 January 2004.

With regard to the IFRS opening balance effective as at 1 January 2004, the adjustments to the previous accounting according to U.S. GAAP resulted only from the changes in the treatment of minority interest on shareholders' equity. Contrary to U.S. GAAP, minority interest must, according to IFRS, be declared as shareholders' equity. According to IFRS shareholders' equity as at 1 January 2004 increased by the minority interest on shareholders' equity (th. Euros 614) totalled th. Euros 180,838.

The earnings after tax were also effected by the different treatment of negative goodwill, this being the only relevant accounting and valuation difference between U.S. GAAP and IFRS in financial year 2004. As a result, the earnings after tax for 2004 (excluding minority interest) according to IFRS was initially th. Euros 3,206 higher than according to U.S. GAAP. According to the requirement that minority interest be declared as shareholders' equity, IFRS also stipulates that the earnings after tax must be declared inclusive of the earnings after tax of minority interest. As a result, the earnings after tax rose by an additional th. Euros 35 to th. Euros 32,790. The shareholders' equity as at 31 December 2004 changed accordingly from th. Euros 213,450 according to U.S. GAAP to th. Euros 217,161 according to IFRS. The earnings before tax (EBT) for the financial year 2004 are to be reported as th. Euros 45,080 according to IFRS, as compared to th. Euros 38,326 according to U.S. GAAP.

The following tables show the relevant accounting and measurement differences between U.S. GAAP and IFRS in terms of the actual amounts and the transition for shareholders' equity, earnings after tax for the period and earnings before tax (EBT).

Transition Shareholders' Equity

th. Euros

	01.01.2004	31.12.2004
Shareholders' equity under U.S. GAAP	180,224	213,450
No extraordinary income from recovery of negative goodwill		-3,631
Other operating income from recovery of negative goodwill		3,631
Other operating income from recovery of negative goodwill due to measurement of fixed assets at fair value (no reduction)		3,885
Scheduled depreciation of unreduced fixed assets		-762
Tax effect (deferred taxes) on scheduled depreciation (reduced fixed assets)		83
Shareholders' equity under IFRS before minority interest	180,224	216,656
Minority interest on shareholders' equity	614	505
Shareholders' equity under IFRS	180,838	217,161

Transition Earnings after Tax

th. Euros

	2004
Earnings after tax under U.S. GAAP	29,549
No extraordinary income from recovery of negative goodwill	-3,631
Other operating income from recovery of negative goodwill	3,631
Other operating income from recovery of negative goodwill due to measurement of fixed assets at fair value (no reduction)	3,885
Scheduled depreciation of unreduced fixed assets	-762
Tax effect (deferred taxes) on scheduled depreciation (reduced fixed assets)	83
Earnings after tax for the period under IFRS without minority interest	32,755
Minority interest	35
Earnings after tax for the period under IFRS	32,790

Transition Earnings before Tax (EBT)

th. Euros

	2004
EBT under U.S. GAAP	38,326
Other operating income from recovery of negative goodwill	3,631
Other operating income from recovery of negative goodwill due to measurement of fixed assets at fair value (no reduction)	3,885
Scheduled depreciation of unreduced fixed assets	-762
EBT under IFRS	45,080

Notes on Relevant Differences between U.S. GAAP and IFRS

Measurement of Negative Goodwill

If there is any negative goodwill, the first thing to be done under IFRS 3 is to identify and measure the assets and liabilities once again. Any negative goodwill now remaining is to be recognised immediately in the income statement as a gain under other operating income. Under U.S. GAAP, in contrast, any negative goodwill is to be accounted for in so far as is possible initially by a reduction in the non financial fixed assets. Any amount of negative goodwill then remaining is to be recognised in the income statement as a gain as extraordinary income.

Measurement of Minority Interest

The portion of the earnings after tax for the period and the equity of a subsidiary applicable to interests held neither directly nor indirectly by the parent company (minority interest) must, according to IAS 27, be stated separately from the shareholders' equity of the parent company in the consolidated balance sheet within the shareholders' equity section. Minority interest in the earnings after tax must likewise be stated separately. According to U.S. GAAP, on the other hand, minority interest does not count as shareholders' equity and, accordingly, must be stated separately between the shareholders' equity and the liabilities.

New Accounting Standards

The following new and amended standards and interpretations were adopted prior to the preparation of the consolidated financial statements. However, they were not yet to be applied obligatorily for the financial statements 2005.

STANDARD/INTERPRETATION	COMES INTO FORCE ON
Amendment to IAS 19 – Employee Benefits Actuarial Gains and Losses, Group Plans and Disclosure	1 January 2006
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement - Cash Flow Hedge Accounting of Forecast Intragroup Transactions - Fair Value Option - Financial Guarantee Contracts (also applicable to IFRS 4)	1 January 2006
IFRS 6 – Exploration und Evaluation of Mineral Resources	1 January 2006
IFRIC 4 – Determining Whether an Arrangement Contains a Lease	1 January 2006
IFRIC 6 – Liabilities Arising from Participation in a Specific Market – Disposal of Electrical and Electronical Equipment	1 December 2005
IFRIC 7 – Applying the Restatement Approach under IAS 29 – Accounting in Hyperinflationary Economies	1 March 2006
IFRIC 8 – Scope of IFRS 2	1 May 2006
IFRS 7 – Financial Instruments: Disclosure	1 January 2007

Bechtle intends to apply the new standards and interpretations with effect from the 2006 financial year. Their impacts on the consolidated financial statements have not yet been fully examined, but are not expected to bring major changes from today's standpoint.

Scope of Consolidation

The scope of consolidation includes Bechtle AG, Neckarsulm, and all its majority owned and controlled subsidiaries. Bechtle AG holds all shares in all of its affiliated companies directly or indirectly via the intermediate holding company Bechtle Beteiligungs-GmbH, Gaildorf, and ARP Holding AG, Rotkreuz, Switzerland. An exception is PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen (PSB AG), and its subsidiary companies, in which Bechtle AG has a direct or indirect 98.3 percent shareholding.

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

Company	Registered Office	Date of first-time consolidation	Acquisition/ Founded
Bechtle GmbH & Co. KG	Bonn	31.01.2005	Founded
CDC IT Group*	Pfaeffikon, canton Schwyz, Switzerland	28.02.2005	Acquisition
compartner systems GmbH*	Ratingen	01.04.2005	Acquisition
Bechtle IT-Systemhaus GmbH & Co. KG	Ober-Moerlen	30.04.2005	Founded
DELEC AG*	Guemligen, canton Berne, Switzerland	01.05.2005	Acquisition
Bechtle Managed Service GmbH & Co. KG	Neckarsulm	30.06.2005	Founded
PP 2000 Business Integration AG*	Stuttgart	01.07.2005	Acquisition
TomTech France E.U.R.L.	Strasbourg, France	31.12.2005	Founded
* and the subsidiaries			

The complete list of shareholdings will be submitted to the Commercial Register with the annual accounts of Bechtle AG.

Use of Estimates

The preparation of the consolidated financial statement requires the Executive Board to make estimates and assumptions that effect the reported amounts of assets, liabilities, revenues and expenses in the consolidated financial statement and disclosure of contingencies and liabilities contingent. The actual results may differ, therefore, from the estimated figures.

Currency and Translation of Foreign Currency

The accounts of Bechtle's subsidiaries are prepared in the local currency.

Assets and liabilities are translated into Euros according to IAS 21, which is our reporting currency, at the mean exchange rate prevailing at the reporting date. Shareholders' equity is computed on the basis of historical rates of exchange. Revenue and expense accounts were translated at rates of exchange of the reporting period. Accounts receivable and liabilities in foreign currency were translated at the mean exchange rate prevailing at the reporting date. Gains or losses arising from fluctuations in exchange rates are reported with an effect on earnings after tax. In the period under review, a total of th. Euros 407 (2004: th. Euros 328) has been reported with an effect on earnings after tax.

Accounting and Valuation Principles

Tangible Assets

Tangible assets are stated at acquisition cost less accrued depreciation. Tangible assets are depreciated over their estimated useful lifetime using planned depreciation methods based on the economic useful lifetime.

The useful lifetimes are as follows:

Office equipment:	3 – 5 years
Business equipment and fittings:	5 – 10 years
Vehicle fleet:	3 – 6 years
Buildings:	25 – 50 years

In line with German accounting practice, low-value tangible assets with an acquisition cost of less than Euro 410 in a total amount of th. Euros 740 (2004: th. Euros 946) are fully depreciated in the year of acquisition. They are simultaneously treated as disposals in the changes in group fixed assets.

Investment Property (IAS 40)

The property assets held by the Bechtle Group as a financial investment are based on a change of use (termination of self-use) of the previously self-used property asset which was posted on the balance sheet under Tangible Assets. The measurement is performed according to the acquisition cost model (IAS 40.56), and, therefore, in accordance with IAS 16, i.e. at procurement and manufacturing costs net of cumulative depreciations and cumulative impairment losses. The period of useful life used as the basis for calculating straight-line depreciation is the same as that for the previously self-used property prior to the change of use. If the property assets are measured at amortised cost, information on the fair value of these assets must be given in the notes.

Intangible Assets as well as Goodwill

Intangible Assets

Intangible assets include established clientele and brands, plus bought-in and home-grown software, as well as customer service contracts.

Established Clientele

Established clientele are valued at acquisition cost. Established clientele acquired as part of corporate acquisitions are valued at an amount that represents the benefit to be obtained from the clientele. Established clientele are depreciated on a straight-line basis over a period dependent on the expected use for the Company. It is generally assumed that customer relations are of a long-term nature. The expected useful lifetime is between five and twelve years.

Brands

Brand name rights acquired as part of corporate acquisitions are valued at an amount that represents the benefit to be obtained from the brand name rights. An unlimited useful lifetime is assumed since, according to an analysis of all the relevant factors, there is no foreseeable limit to the period in which these brand name rights are expected to generate Net Cash Flows for the Bechtle Group. Consequently, according to IAS 38, the brand name rights cannot be amortised, rather must, according to IAS 36, be checked for depreciation at least once a year.

Bought-In Software, Online Shop

Bought-in software, including the online shop, is measured at cost of acquisition and depreciated in a straight line over its expected useful lifetime of three to eight years.

Homegrown Software

In accordance with IAS 38, homegrown software and other product development costs must also be capitalised. Homegrown software can be intended for sale to third parties or used by the Company itself.

In both cases the costs for newly developed software were capitalised according to the provisions of IAS 38 if both the technical and commercial feasibility of the newly developed products were established and they generate future economic benefits for the Group. This capitalisation takes place in the Bechtle Group at strictly defined production costs which contain directly attributable individual costs and appropriate allowances for overheads and depreciation. The costs incurred during the period before technical feasibility must be recognised immediately in "Expenses" as development costs. Scheduled depreciation is carried out according to the number of units or on a linear basis over the respective expected utilisation period of maximum five years. The depreciations are included accordingly in the cost of revenues, selling and marketing expenses and general and administrative expenses after their origin.

Linear depreciation of these capitalised costs takes place from the date of commercial use of the asset over a utilisation period of three to five years.

Customer Service Contracts

Customer service contracts are valued at acquisition cost. Customer service contracts acquired as part of corporate acquisitions are valued at an amount that represents the benefit to be obtained from the customer service contracts. Customer service contracts are depreciated over the remaining time to maturity in accordance with the benefit obtained from them.

Goodwill

Goodwill from a merger is initially measured at cost of acquisition, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised in accordance with IFRS 3. Goodwill acquired in a business combination represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified nor separately recognised.

Goodwill shall not be depreciated according to IFRS 3. Instead, in accordance with IAS 36 it is at least annually tested for impairment.

Impairment of Fixed Assets

According to IAS 36, assets and certain intangible assets must be assessed for impairment if events or changes occur that can result in reduced recoverability. The recoverability of assets designated to remain in the hands of the Company is determined by comparing the book values of the asset with the estimated future inflow of funds generated by the asset. The depreciation requirement corresponds to the amount by which the book values of the asset exceed the fair value. Assets that no longer serve the needs of the business are valued at book value or lower realisable value less costs of disposal.

Maintenance costs are accounted for with effect on income at the time incurred.

Goodwill as well as intangible assets with an unlimited useful lifetime, shall be at least annually tested for impairment. Impairment tests on assets held by the Bechtle Group are always based on value in use, which, in turn, is based on the current business plans drafted by the Management. Planning propositions are adjusted to the actual state of knowledge. At the same time, reasonable assumptions on macroeconomic trends as well as historical developments are taken into account. The expected growth rates of the respective markets are used as the basis for calculating the Cash Flows.

For the impairment test of goodwill it must be allocated to the corresponding cash generating units. In the Bechtle Group, there are two cash generating units that are identical to the two segments "IT system house" and "IT e-commerce" as known from the segment reporting.

Leasing

In the case of operating lease contracts, the leasing rates or leasing payments are entered directly as expenses in the income statement. With regard to financing lease contracts, beneficial ownership is transferred to the lessee in cases in which he substantially bears all the rewards and risks associated with ownership (IAS 17).

Financial Instruments

Financial instruments are contracts which lead simultaneously in one company to a financial asset and in another company to a financial liability. They include both original financial instruments (e.g. accounts receivable or accounts payable) and derivative financial instruments (transactions for hedging against value change risks).

In accordance with IAS 39, a distinction is made between the following categories of financial instruments:

- Assets which are classified as “held for trading” are measured at fair value through profit or loss,
- Held-to-maturity investments,
- Loans and receivables,
- Available-for-sale financial assets.

Unless otherwise specified, financial instruments are shown at their fair value. The fair value of an original financial instrument is the price attainable on the market, i.e. the price at which the financial instrument can be freely traded between parties independent of one another within a transaction. Extended credits and accounts receivable are reported in the balance sheet at net book value (e.g. loans).

Derivative financial instruments are financial contracts whose value is derived from the price of an asset or a reference rate (such as currencies, indices and interest). They require no or only little initial investment and are settled at a future date. Examples of derivative financial instruments include options, futures and interest rate swaps.

Derivative financial instruments are employed by Bechtle for hedging purposes only. The Company uses interest swaps to reduce the interest rate fluctuation risk related to interest on bank borrowing.

In accordance with IAS 39, all derivative financial instruments in the Bechtle Group are shown according to the accounting method on the settlement date at fair values. The fair values are calculated by means of standardised mathematical finance methods (Market-to-Market Method) or quoted prices. Profits and losses from the change in the fair values of derivative financial instruments, which are not shown on the balance sheet according to hedge accounting rules, are also included immediately in the income statement together with the change in the value of the basic transaction. In the case of interest swaps of the company which are classified as a cash flow hedge, the changes in the fair value of the financial derivatives are reported without effect on income after deduction of deferred taxes. The fair value of interest swaps is determined by discounting the expected future cash flows over the remaining term of the contract on the basis of current market interest rates and the yield curve.

Accounts Receivable and Other Assets

Accounts receivable and other assets are reported at their acquisition costs net of adequate provisions for all identifiable single risks. Also the general credit risk is considered through corresponding provisions, as far as verifiable.

Inventories

In accordance with IAS 2, merchandise was valued at average acquisition cost. Interest on loan capital is not capitalised. Provisions to lower net realisable value have been taken to the extent required. In addition to valuation allowing disposal at no net loss, these provisions also cover all other inventory risk. If the reasons which led to a depreciation in inventories in the past no longer exist, a value make-good will be carried out.

Treasury Stock

Treasury stock to the amount of the acquisition costs is reported separately as a reduction in shareholders' equity. The number of outstanding, i.e. publicly held shares of the Company, is reduced according to the number of shares held in treasury stock. The number of emitted shares remains unchanged. Gains or losses arising from the resale of treasury stock will be offset against the additional paid-in capital.

Deferred Tax Assets

In accordance with IAS 12, deferred tax assets are created for all temporary differences between the book values in the group balance sheet and the tax valuations of assets and liabilities (Liability Method), as well as for tax loss carryforwards. Deferred tax assets for accounting and valuation differences as well as for tax loss carryforwards are only recognised if it can be assumed with sufficient probability that these differences will produce the corresponding benefit in future. Deferred tax assets are offset against deferred tax liabilities if the tax creditors and period congruence are identical. The tax rates applying in the year of reversal are used as the calculation basis. If passed, changes in the tax rates are taken into account.

Pension Accruals and Similar Obligations

The measurement of pension accruals and similar obligations is performed according to IAS 19. Pensions and similar obligations comprise pension obligations and defined benefit plans. The pension obligations are determined according to the so-called projected Unit Credit Method. In addition to known pensions and vested benefits as at the balance sheet date, this method also takes expected future increases in salaries and pensions into account. The calculations are based on actuarial reports that must be prepared annually and must be based on biometric principles. Actuarial gains and losses are recognised immediately in the income statement.

Other Accrued Expenses

Other accrued expenses are formed if there is a current liability towards third parties from a past event. It must be possible to reliably estimate this liability amount and it must lead more probably than improbably to an outflow of future resources. Provisions are only formed for legal and factual obligations towards third parties. No expense provisions were formed since there is no external liability in this case. If the interest effect was considerable, long-term provisions with a term of more than one year were discounted on the basis of the corresponding interest rates on the balance sheet date.

Liabilities

Liabilities are entered on the liabilities side of the balance sheet at continued net book value.

Preparation of Income Statement using the Cost-of-Sales Method

The income statement is prepared using the cost-of-sales method.

Revenue Recognition

Revenues are transacted in the segments IT system house and IT e-commerce. A distinction is made between service and products.

The revenues are recorded in accordance with IAS 18 after service has been rendered or after acceptance by the customer, with consideration given to revenues deductions. Revenues deductions, contractual penalties and discounts are deducted in this case. The revenue amount can be reliably measured at this time and the accrual of the economic benefit from the transaction is sufficiently probable.

Earnings and associated expenses are recorded independently of the underlying cash flows.

Revenues from maintenance contracts are collected on a pro rata temporis basis over the term of the contract.

For software maintenance contracts and warranty extensions, deferred income amounting to th. Euros 7,152 (31.12.2004: th. Euros 3,981) was posted to the balance sheet and is written back over the average term of the contracts.

Research and Development Costs

With the exception of the development costs incurred in connection with the development of self-used or commercial software, no significant research and development costs were incurred. In this regard, we refer to our notes to homegrown software.

Earnings per Share

Earnings per share (or EPS) were calculated according to IAS 33. IAS 33 stipulates that earnings per share be disclosed for all companies that have issued ordinary shares. Ordinary EPS is earnings after tax divided by the weighted average of the outstanding ordinary shares.

Corporate Governance

Bechtle AG publishes a declaration of compliance with the German Corporate Governance Code pursuant to Article 161 of the German Companies Act. The most recently updated declaration is published on the Company's website.

III. FURTHER NOTES TO THE GROUP BALANCE SHEET AND INCOME STATEMENT

(1) Cash

The cash assets amounting to th. Euros 48,178 (31.12.2004: th. Euros 61,497) include current credit with banks and cash balances, as well as financial investments that can be translated into cash at short notice with original maturity dates of three months or less from date of acquisition.

(2) Marketable Securities

Marketable securities are classified as "available for sale" and are not therefore derivative financial assets. In accordance with IAS 39, they must be valued at the reconcilable fair value, the stock market price and market price.

th. Euros

	31.12.2005	31.12.2004
Purchase costs	3,593	4,359
Market and fair value	3,736	4,296
Accrued interest	143	23
Unrealised gains	0	54
Unrealised losses	0	117

(3) Trade Accounts Receivable

th. Euros

	31.12.2005	31.12.2004
Trade accounts receivable	167,356	145,685
Valuation adjustments	3,065	3,223
	164,291	142,462

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

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

(4) Inventories

The Company's stock essentially consists of retail goods.

th. Euros

	31.12.2005	31.12.2004
Inventories	43,137	38,790
Valuation adjustments	1,308	2,249
	41,829	36,541

(5) Prepaid Expenses, Other Current Assets and Tax Receivables

th. Euros

	31.12.2005	31.12.2004
Expected bonuses and marketing development funds	4,919	4,127
Credit notes outstanding	2,662	1,774
Other accounts receivable from suppliers	2,153	2,822
Accounts receivable from suppliers	9,734	8,723
Claims of social security	875	708
Accounts receivable from personnel	381	53
Deposit	108	91
Other	1,078	983
Other current assets	12,176	10,558
Prepaid expenses	888	952
	13,064	11,510
Tax receivables	2,801	3,894
	15,865	15,404

(6) Tangible Assets

th. Euros

	31.12.2005	31.12.2004
Tools and equipment	13,046	8,989
Land, buildings	5,485	8,411
Plant and machinery	36	33
	18,567	17,433

The changes in tangible assets are shown in detail in the changes in group fixed assets (attachment A to notes).

(7) Investment Property

This item was included on 1 December 2005 following the change of use (termination of self-use) of the previously self-used property asset in Renens, Switzerland, reported in the balance sheet under Tangible Assets. The item will continue to be measured according to IAS 16, i.e. property will be depreciated in a straightline over its expected useful lifetime of 50 years.

The book value at 31 December 2005 was th. Euros 2,646. On 31 December 2004 the book value of this property shown in the balance sheet as tangible asset, was th. Euros 3,411.

A rental income of th. Euros 19 was realised during the period from 01.12.-31.12.2005. Neither for rented space nor for non-rented space were operating expenses incurred during this short period. Apart from the actual rental agreements, no significant contractual obligations or restrictions on sale apply. This property is free of mortgages, land charges and annuity charges as well as of other costs and restrictions.

Taking the current condition requiring partial renovation and the relatively small rental rate into account, the fair value of this property cannot be determined reliably. Neither is it possible at present to specify an estimated margin of fluctuation within which the fair value probably lies.

The changes in investment property are shown in detail in the changes in group fixed assets (attachment A to notes).

(8) Intangible Assets

th. Euros

	31.12.2005	31.12.2004
Established clientele	13,654	11,670
Brands	2,750	2,750
Customer service contracts	659	272
Online Shop	647	1,511
Homegrown software	132	333
Other intangible assets	2,353	1,648
	20,195	18,184

The brands do not have a defined lifetime, and must be assigned to the cash generating unit of IT e-commerce.

The values in use, as determined for the brand names in the course of the impairment tests, are based on a discount factor which corresponds to the required return on equity, i.e. the cost of capital within the Bechtle Group. We have established through sensitivity analyses that, even if key assumptions deviate within a realistic framework, no impairment loss would be incurred for the brand names.

th. Euros

ESTABLISHED CLIENTELE	31.12.2005
Book value (31.12.2005)	13,654
Amortisation period (weighted average)	9.0 years
Remaining useful lifetime (weighted average)	6.4 years
Cumulative amortisations	5,274
Expenses for period (01.01.-31.12.2005)	2,005

th. Euros

HOMEGROWN SOFTWARE	2005	2004
Book value as at 01.01.	333	716
Amortisations of the reporting period	201	383
Book value as at 31.12.	132	333

The changes in intangible assets are shown in detail in the changes in group fixed assets (attachment A to notes).

(9) Goodwill

As of 31 December 2005 Bechtle reported goodwill of th. Euros 89,519. This covers the status as of 31 December 2004 (th. Euros 81,607) and the newly accrued goodwill from the acquisition of the CDC IT Group, the DELEC AG, the compartner systems GmbH, and the PP 2000 Business Integration AG, in the period under review to the total sum of th. Euros 6,792. In addition, the goodwill increased in the year under review by th. Euros 952 in connection with the acquisition of further shares in PSB AG, Ober-Moerlen, and the beginning of the exclusion of minority PSB AG shareholders in accordance with Articles 327 a ff. of the German Stock Corporation Act. The other changes of the goodwill in the 2005 financial year amounting to th. Euros 168 resulted from a subsequent purchase price adjustment concerning the year 2004 (th. Euros 260) and differences in currency conversion (th. Euros -92).

The goodwill is distributed as follows over the two cash generating units:

th. Euros

CASH GENERATING UNIT	31.12.2005	31.12.2004
IT system house	72,391	64,479
IT e-commerce	17,128	17,128
	89,519	81,607

The previous impairment test did not indicate an impairment for either the cash generating unit "IT system house" or the cash generating unit "IT e-commerce".

The values in use, as determined for the goodwill in the course of the impairment tests, are based on a discount factor which corresponds to the required return on equity or the cost of capital within the Bechtle Group. We have established through sensitivity analyses that, even in the case key assumptions deviate within a realistic framework, no impairment loss would be incurred for goodwill.

The changes in goodwill are shown in detail in the changes in group fixed assets (attachment A to notes).

(10) Loans

In accordance with IAS 39, loans are classified in a separate category as long-term receivables. They must be valued as financial assets at the reconcilable fair value when recorded for the first time and at their continued acquisition costs in the subsequent period. There was no need to make a value adjustment for this item. Loans amounting to th. Euros 1,688 (31.12.2004: th. Euros 1,625) include tax-privileged job creation reserves in Switzerland, which are deposited on a blocked bank account (th. Euros 879), and a loan made to an investment and leasing company (th. Euros 809).

The changes in loans are shown in detail in the changes in group fixed assets (attachment A to notes).

(11) Pension Accruals and Similar Obligations

Pension accruals concern liabilities from potential pension to entitled employees through a partial business takeover by the Bechtle Group. Depending on the legal, economic and tax situation in each of the countries concerned, various such retirement benefit systems are in place, that are, as a rule, based on employees' length of service and compensation.

The retirement benefits, amounting to th. Euros 559, correspond to a provision-financed defined benefit plan under IAS 19.26 which is handled as a direct commitment, whereby no funds are transferred from the reserves.

The amount of pension obligations (defined benefit obligation) was calculated by actuarial methods for which estimates are unavoidable.

The Projected Unit Credit Method (IAS 19.64ff) was used as the basis for calculating the pension obligations. The parameter for assessment was an interest rate of four percent p.a., not including the dynamic growth on creditable payments. The actuarial assumptions are based on the reference tables 2005G (Heubeck-Richttafel GmbH, Cologne, 2005) for mortality, probability of marriage and invalidity. The assumed actuarial age of retirement for the pension obligation is always the earliest possible age for receiving retirement benefits (full pension) under the statutory pension scheme. A fluctuation probability based on age and length of service is assumed for those cases where the employment relationship is terminated without entitlement to benefits.

The pension accrual is reported for the first time in the Group and results from the partial business takeover of PSB Service GmbH, Gaildorf at 1 October 2005. The Defined Benefit Obligation at 31.12.2005 does not deviate significantly from the obligation at 1 October 2005. For this reason, the Company has dispensed with the transition as required by IAS 19.

th. Euros

	Defined Benefit Obligation 31.12.2005	Accumulated Benefit Obligation 31.12.2005	Pension Expenses for 2006
Pensions	559	559	38

(12) Other Accrued Expenses

th. Euros

	01.01.2005	Changes in scope of consolidation, differences in currency conversion	Utilised	Released	Allocated	31.12.2005
Guarantees	1,916	380	2,129	167	2,592	2,592
Other personnel expenses	974	34	932	23	1,559	1,612
Legal and consultation costs	1,209	35	936	308	1,131	1,131
Customer bonuses	605	0	599	6	335	335
Litigation expenses	2,600	0	72	2,323	0	205
Other	3,211	422	3,090	127	2,792	3,208
	10,515	871	7,758	2,954	8,409	9,083
Other current accrued expenses	10,175					8,463
Other non-current accrued expenses	340					620

Accrued expenses for **guarantees** are set up for an expected claim on the basis of company-specific statements based on experience. **Other accrued personnel expenses** basically include settlement payments, charges for severely handicapped persons and salary back payments. **Legal and consultancy costs** mainly comprise external costs for the annual accounts and consolidated financial statements as well as for legal and tax consultancy costs. **Customer bonuses** relate to sales-dependent rebates.

The reduction in **accrued expenses for litigation expenses** results mainly from the release of the expenses set aside for a legal dispute between Bechtle AG and a Board Member who resigned from office in 2004, whereupon the legal dispute was settled in Bechtle's favour.

Other accrued expenses mainly comprise rents and incidental rental costs, contributions and insurance policies.

(13) Other Current Liabilities

Other current liabilities are as follows:

th. Euros

	31.12.2005	31.12.2004
Personnel liabilities	11,316	10,884
Turnover tax	5,734	5,910
Social security payments	4,293	3,318
Liabilities to customers	2,109	944
Wage tax and church tax	2,082	1,798
Liabilities payable from purchase price increases of acquisitions	900	2,020
Unrealised losses from financial derivatives	92	198
Other	1,286	1,252
	27,812	26,324

(14) Financial Liabilities and Financial Derivates

th. Euros

	31.12.2005	31.12.2004
- Deutsche Bank AG, loan to acquire ARP Holding AG	10,440	13,167
- Landesbank Baden-Wuerttemberg (Baden-Wuerttembergische Bank), loan to aquire the IT system house Division of Eurodis Switzerland AG	4,628	6,220
- Sparkasse Schwaebisch Hall-Crailsheim, loan to acquire ARP Holding AG	5,143	6,486
Long-term loans, total	20,211	25,873
Short-term portion	5,439	5,486
Long-term loans, less short-term portion	14,772	20,387

The **loan granted by Deutsche Bank AG** amounting to th. Euros 10,440 was denominated in Swiss francs (TCHF 16,240) and is due to mature on 1 April 2009. It bears a floating interest rate (CHF-LIBOR-3M + 100 basis points) and is amortised with annual payments amounting to th. Euros 2,610 (TCHF 4,060), payable on 1 April, beginning as of 1 April 2005. Security for the loan is provided in the negative covenant and in the equalisation obligation in the provision of securities. The risks associated with the loan's floating interest rate have been eliminated by means of an **interest swap**. The interest swap, which has a reference amount of initially TCHF 20,300, has been designated as a cash flow hedge and is 100 percent effective in hedging against the interest rate risk. Bechtle pays a fixed interest rate of 1.50 percent and receives the CHF-LIBOR-6M as a floating interest rate. The expiration date has been fixed at 1 April 2009. The market value of the interest swap as at 31 December 2005 amounted to th. Euros 25. Taking into account the use of the interest swap as a hedge against the risk of interest rate fluctuations the interest rate payable on the loan amounts to 2.50 percent.

Two **loans granted by the Landesbank Baden-Wuerttemberg (Baden-Wuerttembergische Bank)** amounting in total to th. Euros 4,628 were denominated in Swiss francs and are due to mature on 30 December 2008; they bear a floating interest rate (CHF-LIBOR-6M + 90 basis points). The loans aren't secured. The risks associated with the floating interest rate on the two loans have been eliminated by means of two **interest swaps**. The interest swaps have been designated as a cash flow hedge and are 100 percent effective in hedging against the risk of interest fluctuations. With the exception of the reference amounts (initially a total of TCHF 12,000), both interest swaps have identical conditions. Bechtle pays the fixed interest rate of 2.54 percent and is given CHF-LIBOR-6M as the floating interest rate. The expiration date has been fixed at 30 December 2008. The market values of the two interest swaps as at 31 December 2005 amounted to th. Euros -65. Taking into account the use of the interest swap as a hedge against the risk of interest rate fluctuations the interest rate payable on the two loans amounts to 3.44 percent.

The **loan granted by the Sparkasse Schwaebisch Hall-Crailsheim** amounting to th. Euros 5,143 was denominated in Swiss francs (TCHF 8,000) and is due to mature on 1 April 2009. It bears a floating interest rate (CHF-LIBOR-6M + 90 basis points) and is amortised with annual payments amounting to th. Euros 1,286 (TCHF 2,000), payable on 1 April, beginning as of 1 April 2005. Securities for the loan are provided in the negative covenant and in the equalisation obligation in the provision of securities. The risks associated with the loan's floating interest rate have been eliminated by means of an **interest swap**. The interest swap, which has a reference amount of initially TCHF 10,000 has been designated as a cash flow hedge and is 100 percent effective in hedging against the interest rate risk. Bechtle pays a fixed interest rate of 1.49 percent and receives the CHF-LIBOR-6M as a floating interest rate. The expiration date has been fixed at 1 April 2009. The market value of the interest swap as at 31 December 2005 amounted to th. Euros -52. Taking into account the use of the interest swap as a hedge against the risk of interest rate fluctuations the interest rate payable on the loan amounts to 2.39 percent.

The Company has global **lines of credit** amounting to th. Euros 47,645 plus lines of credit by way of bank guarantee to the amount of th. Euros 940. At the balance-sheet date, cash loans amount to th. Euros 290 and credits by way of bank guarantee amount to th. Euros 4,626 leaving an unused line of credit of th. Euros 43,669.

Bechtle AG has provided group guarantees for its subsidiaries amounting to th. Euros 31,284. In addition, there are unlimited group guarantees for nine company locations.

(15) Shareholders' Equity

Share Capital

The ordinary share capital of Bechtle AG as of 31 December 2005 is divided into 21,200,000 issued and outstanding ordinary shares with a nominal value for accounting purposes of EUR 1.00. Each share accords one vote. The ordinary share capital is thus unchanged in comparison with 31st December 2004.

The number of outstanding shares remained totally unchanged in the period under review in comparison with 31st December 2004, amounting to 21,200,000 shares. According to IAS 33, the weighted average calculated of the outstanding shares in the period under review consequently comes to 21,200,000 shares (2004: 21,052,459 shares).

Authorised Capital

In accordance with Article 4 Paragraph 3 of the Statutes of the Bechtle AG, the Executive Board is authorised, with the consent of the Supervisory Board, to increase the share capital until 10 June 2009 by th. Euros 10,600 through the issue of new shares made out to bearer (Authorised Capital).

Capital increases can be made against cash contributions and/or non-cash contributions. The Executive Board is authorised, with the consent of the Supervisory Board to exclude the certain frac-

tion amounts from the subscription rights held by the shareholders. The Executive Board is further authorised, with the consent of the Supervisory Board, to exclude subscription right, if (case 1) the capital increase is made in the form of non-cash contributions tangible assets for the purchase of companies or interests in companies, or (case 2) the capital increase is in the form of cash contributions, does not exceed ten percent of the subscribed share capital at the time of issue, and the issuing price is not significantly below the market price, or (case 3) the capital increase is for the purpose of issuing staff shares and the pro rata amount does not exceed ten percent of the subscribed share capital at the time of issue.

The Executive Board is authorised, with the consent of the Supervisory Board, to specify any further details relating to capital increases from authorised capital.

Contingent Capital

The General Shareholders' Meeting of 1 June, 2001 resolved to increase the Company's subscribed share capital by a nominal amount not exceeding th. Euros 2,000 by issuing up to 2,000,000 new shares with profit entitlement from the beginning of the financial year in which the issue is made. This contingent capital increase serves exclusively to exercise subscription rights which were granted in the content of the 2001/2008 stock option scheme in accordance with the General Shareholders' Meeting resolution of 1 June 2001 and may only be performed to the extent that the subscription rights are issued in the context of the 2001/2008 stock option scheme and the bearers of these subscription rights actually make use of them (Contingent Capital 2001).

No stock options were issued at 31 December 2005 or 31 December 2004.

Dividends

The General Shareholders' Meeting of June 22, 2005 decided to pay a dividend of Euro 0.40 per share with full dividend rights for the financial year 2004 (sum of dividend th. Euros 8,480).

Dividends may only be paid from balance sheet net earnings and the retained earnings of the Company as disclosed in the German annual financial statements of Bechtle AG. These amounts deviate from the total of the shareholders' equity as reported in the consolidated financial statements according to IFRS. The payment of future dividends is jointly proposed by the Company's Executive Board and the Supervisory Board and approved by the General Shareholders' Meeting. The determining factors are, in particular, the profitability, the financial position, the capital requirements, the business outlook and the general economic conditions of the Company. As the Company's strategy is geared to internal and external growth, investments will be necessary and, where possible, will be financed internally. The Executive Board will submit to the Supervisory Board to propose to the Annual General Shareholders' Meeting the payment of a dividend of Euro 0.50 per share for the financial year 2005.

Balance-Sheet Net Earnings

The balance-sheet net earnings as stated in the commercial annual financial statements of Bechtle AG have developed as follows during the financial year under review:

th. Euros

Balance at January 1, 2005	8,480
Dividend payments	-8,480
Profit carried forward	0
Earnings after tax in 2005	13,520
Other reserves	-2,920
Balance at December 31, 2005	10,600

Additional paid-in capital

Additional paid-in capital contains essentially the capital surplus (agio) arising from increases in share capital carried out, and remains unchanged compared with 31 December 2004 at th. Euros 143,454.

Treasury Stock

The Executive Board was last authorised by a resolution of the General Shareholders' Meeting on 11 June 2004 as well as on 22 June 2005 to acquire company treasury stock with the consent of the Supervisory Board in accordance with Article 71 Paragraph 1 no. 8 AktG (Companies Act). Acquisition of treasury stock is to meet the conditions contained in the resolution of the General Shareholders' Meeting.

In the period under review there were no transactions in treasury stock so that by 31 December 2005 just like by 31 December 2004, the company held no treasury stock.

Changes in Shareholders' Equity not effecting the Operating Result

The following table summarises the information on changes in shareholders' equity not effecting the operating result on the balance sheet date.

th. Euros

	31.12.2005	31.12.2004
Differences in currency conversion	-609	-264
Derivative instruments	-62	-135
Unrealised gains/ losses (securities)	0	-63
	-671	-462

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

(16) Revenues

Revenues amounting to th. Euros 1,178,269 (2004: th. Euros 1,088,133) contain the amounts charged to customers for goods and services – less revenues deductions and discounts.

The breakdown of revenues according to business segments and regions can be seen in the report by segment disclosures.

(17) Other Operating Income

Other operating income amounted to th. Euros 7,431 in the period under review (2004: th. Euros 12,328), comprised essentially of marketing development funds, income from differences in currency conversion as well as from the disposal of assets.

th. Euros

	2005	2004
Marketing development funds	4,412	2,472
Income from differences in currency conversion	462	338
Disposal of assets	372	448
Rentals	357	95
Repayment of consultation costs	160	0
Special item of acquisition ALSO COMSYT AG (negative goodwill)	0	7,516
Other	1,668	1,459
	7,431	12,328

The other operating income of the previous year (th. Euros 12,328) contained a special item amounting to th. Euros 7,516 (originally TCHF 11,602), which resulted from the initial consolidation (1 February 2004) of the acquired company ALSO COMSYST AG, Switzerland.

On acquisition of ALSO COMSYT AG, Switzerland, the fair value of the acquired net assets exceeded the costs of buying the holding, resulting in the creation of negative goodwill from the consolidation of capital. According to IFRS 3, in such a case the identification and valuation of the acquired assets and debts is first to be reassessed. Any remaining negative goodwill is then to be included as effecting earnings after tax. This is to be shown in other operating income, and hence in the earnings before tax (EBT).

Without this special item, other operating income amounted in the previous year to th. Euros 4,812 and earnings before tax (EBT) correspondingly to th. Euros 37,564.

Further explanations about the inclusion of negative goodwill as other operating income in the period of the previous year with an effect on earnings after tax are provided in the context of the transition arrangements from U.S. GAAP to IFRS (bullet point II).

(18) Classification of Expenses

th. Euros

	Cost of revenues		Selling and marketing expenses		General and administrative expenses	
	2005	2004	2005	2004	2005	2004
Expenditure for material and supplies	894,560	828,565	0	0	0	0
Personnel expenses	88,410	78,000	54,841	44,758	35,217	32,943
Depreciation	4,982	4,498	3,123	2,908	3,821	3,812
Other operating expenses	27,420	24,106	18,153	15,994	13,978	19,614
Total expenses	1,015,372	935,169	76,117	63,660	53,016	56,369

(19) Income Tax / Deferred Tax

Paid and due taxes on income and earnings as well as the deferred taxes are reported as income taxes.

The tax expenses incurring in the accounting period are composed as follows:

th. Euros

	2005	2004
Current tax expenses	12,202	10,326
Deferred taxes		
of temporary valuation differences	-159	-907
of tax loss carryforward	-157	2,871
Tax expenses	11,886	12,290

The balance for the accounting period between the actual tax expenses and the amount arising from a weighted domestic and foreign tax rate of around 33 percent (2004: 32 percent) on the earnings before tax is as follows for the period under review:

th. Euros

	2005	2004
Earnings before tax	41,172	45,080
Expected tax expenses	13,436	14,293
Non tax-deductible take of the negative goodwill	0	-2,224
Tax expenses from previous years	128	0
Tax income from previous years	-111	-577
Non tax-deductible operating expenses	467	299
Only tax-deductible goodwill amortisation	-606	-232
Depreciation / disposals of deferred tax assets	840	86
Appreciation of deferred tax assets	-2,640	0
Other	372	645
Actual tax expenses	11,886	12,290

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

th. Euros

DEFERRED TAX ASSETS	31.12.2005	31.12.2004
Tax loss carryforwards	7,977	6,893
Accrued expenses	381	182
Tangible assets	147	149
Interest swaps	29	64
Other	10	0
	8,544	7,288
Valuation adjustments	1,112	475
Deferred tax assets	7,432	6,813

th. Euros

DEFERRED TAX LIABILITIES	31.12.2005	31.12.2004
Established clientele	2,567	2,222
Goodwill	2,095	1,644
Accounts receivable	525	317
Property	379	388
Accrued expenses	374	321
Inventories	374	337
Tangible assets	351	242
Customer service contracts	253	104
Tax-deductible depreciation	184	0
Liabilities	79	79
Capitalised software	50	127
Other	288	62
Deferred tax liabilities	7,519	5,843

A valuation allowance is made against accrued deferred tax assets if it is not sufficiently likely that the deferred taxes will be realised. The evaluation made is subject to change over time. These changes can result in the reversal of valuation allowances in subsequent reporting periods. The valuation allowance in the amount of th. Euros 1,112 relates to the accrued deferred taxes from loss carryforwards.

The domestic tax rate used in principle for the accrual of deferred taxes is approximately 38 percent.

The calculation of deferred tax receivables on foreign loss carryforwards is based on the actual tax-rate.

Tax loss carryforwards amounting in total to th. Euros 34,995 at 31 December 2005 (31.12.2004: th. Euros 25,819), on which the deferred tax assets were determined, refer to domestic and foreign subsidiaries. A total of th. Euros 20,536 (31.12.2004: th. Euros 16,765) are accounted for losses of foreign companies. Domestic tax loss carryforwards are in accordance with the present tax regulations currently regarded as having no time limitation. The changes in German tax legislation with regard to the use of tax loss carryforwards (minimum taxation) were taken into account when assessing the impairment of deferred tax assets on tax loss carryforwards. Tax loss carryforwards abroad expire in some cases in five years' time.

(20) Earnings Per Share

The following table presents the computation of the earnings after tax without minority interest per ordinary share:

In accordance with IAS 33, earnings per share are calculated from group earnings after tax and the

	2005	2004
<i>Earnings after tax without minority interest (th. Euros)</i>	29,236	32,755
Weighted average shares outstanding (number)	21,200,000	21,052,459
<i>Earnings per share (Euro)</i>	1.3791	1.5559

average number of shares in circulation during the year. The undiluted earnings per share are identical with the diluted earnings per share.

IV. OTHER EXPLANATORY NOTES

Segment Disclosures

The individual annual accounts are segmented according to business segments and regions. Segmentation is based on internal reporting (Management Approach). The objective of segmentation is to show transparency in the profitability and success prospects as well as opportunities and risks of the different business segments of the Bechtle Group.

In accordance with IAS 14, the Group currently operates two business segments – IT system house and IT e-commerce. The segments differ from one another in their fields of activity and use different processes in the sale of IT products.

The Bechtle **IT system house** segment provides small and medium-sized businesses, corporations, financial service providers and public institutions with a comprehensive portfolio of products and services for all the IT infrastructure and IT applications needs. These range from IT strategy consultancy services to the supply of hardware and software, project planning and implementation, plus systems integration, various IT services and training courses. The decentralised organisation of the Bechtle IT system houses, with 62 locations providing full area coverage in Germany and Switzerland, ensures their proximity to the customers. Experts from 20 competence centres working on an inter-locational basis complement the service portfolio of the system houses with expertise in a variety of areas including IT security, storage and mobile computing. Bechtle also provides practical seminars, workshops and training courses at a total of 18 training centres; by request, these can be conducted on-site at the customer's premises.

In the **IT e-commerce** segment, the Bechtle Group distributes by telephone, catalogue and over the internet some 26,000 IT products in nine European countries under the brand names *Bechtle direkt* and *ARP Datacon*. Daily prices and information on availability are provided for all IT articles

offered through country-specific online portals. The manufacturer-independent product portfolio reflects the European IT market in terms of its range and diversity by offering customers hardware and software products, peripheral equipment and the necessary consumables for all applications. Bechtle helps customers to reduce their process costs for the procurement of IT products by using company-specific shopping baskets and paperless order processing. A key distribution instrument is the main catalogue with over 800 pages, which is published twice annually. The main catalogue has a circulation of over 180,000 and is sent to existing and prospective customers throughout Europe.

The Bechtle Group mainly operates offices in Germany. Foreign offices are located in Austria, Belgium, France, Italy, the Netherlands, Spain, Switzerland, Taiwan and the United Kingdom.

The administration of the group companies is centred primarily in Gaildorf.

There are no major inter-segment transactions.

Earnings before interest and taxes is the control variable of the segments. Interest is therefore not included, as the segments are financed primarily through Bechtle AG and external interest expenses and income basically arise here.

th. Euros

BY SEGMENTS	2005			2004		
	IT System House	IT E-commerce	Total	IT System House	IT E-commerce	Total
<i>External revenues</i>	811,042	367,227	1,178,269	729,981	358,152	1,088,133
<i>Depreciation and amortisation</i>	8,903	3,023	11,926	7,764	3,454	11,218
<i>Operating income</i>	18,607	22,588	41,195	25,328	19,935	45,263
<i>Financial result</i>			-23			-183
<i>Earnings before tax</i>			41,172			45,080
<i>Investments</i>	6,768	1,864	8,632	7,707	1,633	9,340
<i>Investments due to changes in scope of consolidation</i>	18,246	0	18,246	7,393	19,470	26,863

th. Euros

BY SEGMENTS	31.12.2005			31.12.2004		
	IT System House	IT E-commerce	Total	IT System House	IT E-commerce	Total
<i>Gross assets</i>	277,408	136,538	413,946	268,552	117,310	385,862
<i>Liabilities</i>	118,156	58,343	176,499	113,049	55,652	168,701

th. Euros

BY REGIONS	2005			2004		
	Domestic	Foreign	Total	Domestic	Foreign	Total
<i>External revenues</i>	784,168	394,101	1,178,269	737,844	350,289	1,088,133
<i>Investments</i>	6,094	2,538	8,632	7,288	2,052	9,340
<i>Investments due to changes in scope of consolidation</i>	9,514	8,732	18,246	1,578	25,285	26,863

The following applies for the segmentation:

Revenues are assigned to the country in which the subsidiary's registered office is located. Seen from the subsidiary's viewpoint, revenues are generated only in its own domestic market. Group external revenues show the shares of the segments in consolidated group revenues. No substantial transactions were effected between the segments. Segment assets include all group assets. Segment liabilities contain all liability items of the Group. Investments relate to the additions to fixed assets, intangible assets and other loans. Depreciation and amortisation refer to fixed assets and intangible assets.

V. CASH FLOW STATEMENT

In accordance with IAS 7, the Cash Flow Statement shows cash flow movements divided into fund inflows and outflows from operating, investing and financing activities for the 2005 and 2004 financial years. Cash Flow was calculated on the basis of the indirect method from the consolidated financial statements. The cash in the Cash Flow Statement includes all liquid funds shown on the balance sheet, i.e. cash on hand, cheques and cash in banking institutes if it is available within three months. The cash is not subject to any disposal restrictions.

The Cash Flow from operating activities is indirectly calculated from the earning before tax. During indirect calculation of this Cash Flow, the considered changes in balance sheet items relating to current operating activities are adjusted by effects from currency conversion and changes in the scope of consolidation.

Net Cash of Operating Activities

From operating activities during the period under review are provided th. Euros 28,822 (2004: th. Euros 46,690). The cash inflow of the positive earnings after tax of the period and the not cash generating depreciation stands essentially against the cash outflow of the increase in net working capital including the accrued expenses.

Net Cash used in Investing Activities

The outflow of funds arising from investment activity amounted to th. Euros 20,901 (2004: th. Euros 38,832) and is essentially attributable to acquisition of companies and to purchase of tangible assets.

Net Cash used in Financing Activities

The outflow of funds arising from financing activity amounting to th. Euros 21,217 (2004: th. Euros 19,826 inflow of funds) is essentially a result of the repayment of loans and the dividends paid.

VI. CONTINGENCIES

Information on Leasing Contracts

If operating lease contracts occur in the Bechtle Group, leasing instalments or rents are recorded directly as expenses in the income statement.

The Company concluded non-cancellable leasing contracts for office and storage space. The Company also leased buildings, vehicles and various services under operate-lease arrangements that are non-cancellable during the basic term of the contract. Expenses for leasing contracts include payments amounting to th. Euros 14,626 (2004: th. Euros 14,408) accounted for as expenses.

Future commitments with respect to the above-mentioned agreements with an initial or remaining term of more than one year as at 31 December 2005 amount to th. Euros 85,926 (31.12.2004: th. Euros 80,958).

th. Euros

due within one year	16,486
due between one and five years	34,543
due after five years	34,897
Minimum leasing payments total	85,926

Other financial leasing commitments include th. Euros 41,581 from a leasing contract for the central logistics and administration building in Neckarsulm, which was concluded in 2002. The owner of the building is Fabiana Grundstuecksverwaltungsgesellschaft mbH, Mannheim (Fabiana). The only business in which the company is engaged is that of leasing the building to Bechtle AG through the Suedleasing GmbH leasing agency. Fabiana has a share capital of th. Euros 25 and has financed the investment of th. Euros 31,150 primarily through loans. The Bechtle AG has neither a direct nor indirect interest in Fabiana.

When the leasing contract expires in 2022, the Bechtle AG has a purchase option on the building. According to IAS there is no obligation to consolidate the company. In addition, no losses from the leasing contract are expected, as the Bechtle AG is not compelled to exercise its option to buy.

Other Financial Liabilities

By purchasing the CDC IT Group, Pfaeffikon, Canton of Schwyz, Switzerland, in the period under review, Bechtle has contractually committed itself to the payment of certain conditional subsequent purchase price increases. The extent of these purchase price increases to be paid subsequently will depend on the achievement of certain targets in relation to earnings before tax in the financial years 2005 and 2006, and may amount to a maximum of th. Euros 1,286 in total. Bechtle is not at present able to reliably predict the probability that purchase price increases will actually be incurred.

On acquisition of Gate Informatic AG, Bern, Switzerland, in the 2004 financial year, Bechtle undertook a contractual obligation to pay conditional subsequent purchase price increases subject to the achievement of specific earning before tax targets in the 2005, 2006 and 2007 financial years. Due to the nonfulfilment of the condition for payment, th. Euros 643 of the subsequently payable purchase price increases – originally limited in total to an amount not exceeding th. Euros 1,800 – has lapsed, with the result that subsequently payable purchase price increases not exceeding th. Euros 1,157 are still outstanding.

On acquisition of SGB Servicegesellschaft fuer Geld- und Bankssysteme mbH, Aalen, in the 2004 financial year, Bechtle undertook a contractual obligation to pay conditional subsequent purchase price increases subject to the achievement of specific earning before tax targets in the 2005, 2006 and 2007 financial years. These were originally limited in total to an amount not exceeding th. Euros 2,000. In February 2006, the level of the subsequently payable purchase price increases was finally fixed contractually at a total amount of th. Euros 200.

Litigation

The company is unaware of any proceedings that would have a substantial detrimental effect or had this effect in the last two years on its earnings, liquidity or financial position.

VII. RELATED PARTIES

Transactions with Related Parties

According to IAS 24, persons or companies who are influenced by or have an influence upon the reporting company must be named insofar as they have not already been incorporated as consolidated companies into the consolidated financial statements.

Related persons in the Bechtle Group include, in principle, members of the Executive Board and Supervisory Board, as well as their relatives.

In the year under review, there were no transactions with members of the executive or supervisory board and their relatives.

VIII. REMUNERATION OF EXECUTIVE BODIES

Remuneration of Executive Managers in Key Positions

Executive Board

The total remuneration of the Executive Board of Bechtle AG in the year under review amounted to th. Euros 1,232. The remuneration of the Executive Board consisted of a fixed and a variable component. The fixed component amounted to th. Euros 647 and the variable component amounted to th. Euros 585.

IX. Acquisitions

In the year under review, the following acquisitions were made:

PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen (PSB AG)

On 17 January 2005, a further 2.8 percent of the shares in PSB AG were acquired, following the acquisition of 95.5 percent of the shares in PSB AG in 2003. The purchase price for the additional shares acquired in PSB during the accounting period, including a so-called "supplementary package", amounted to th. Euros 954 (Euro 9.40 per share) plus th. Euros 1 additional acquisition costs.

As a result of the acquisition of a further 2.8 percent of the shares in PSB AG, the amount stated in the accounts at 31 December 2004 for minority interest on the shareholders' equity (th. Euros 505) has been reduced by th. Euros 311 to th. Euros 194. Of PSB AG's earnings after tax for the accounting period, an amount of th. Euros 50 was attributable to outstanding minority interest (1.7 percent), which finally results in minority interest on the shareholders' equity amounting to th. Euros 244 entered into the accounts as at 31 December 2005.

The total purchase price of th. Euros 955 paid for the shares in PSB AG acquired in the accounting period, due to the th. Euros 311 reduction in minority interest on the shareholders' equity, resulted in goodwill amounting to th. Euros 644.

In addition, costs amounting to th. Euros 307 were incurred in the year under review directly in connection with the beginning of the exclusion of minority PSB AG shareholders in accordance with Article 327a ff. of the German Stock Corporation Act. These therefore represent incidental acquisition expenses for the future acquisition of the outstanding minority interest. Accordingly the value of goodwill increased by th. Euros 307.

CDC IT Group, Pfaeffikon, Canton of Schwyz, Switzerland

On 28 February 2005, all shares in the CDC IT Group were acquired for a purchase price of th. Euros 2,795. This purchase price will be subsequently increased if certain targets in relation to earnings before tax are achieved in the financial years 2005 and 2006. The increase in the purchase price will not exceed th. Euros 1,229, so that the final total purchase price will in the end be a maximum of th. Euros 4,094. In the event of any price adjustment, the procurement costs will be increased accordingly. It is not possible at present to reliably predict the probability that purchase price increases will actually be incurred.

The acquisition was accounted for using the purchase method of accounting. With the total purchase price to be set at present, amounting to th. Euros 2,795, there was a difference amounting to th. Euros 1,077 resulting from the consolidation of capital, taking into account the net assets taken over (th. Euros 1,718). In accordance with IFRS 3 in combination with IAS 38, th. Euros 650 of that amount was accounted for by the established clientele, which will be amortised over ten years. Deferred tax liabilities amounting to th. Euros 57 were accumulated in the course of the capitalisation of the established clientele, which increased the remaining difference and will be eliminated again along with the scheduled amortisation of the established clientele over its useful life. The remaining difference amounting to th. Euros 484 could neither be allocated to an asset on the balance sheet nor included as a separate asset, so it was added as goodwill.

The CDC IT Group (100 employees) had at the time of the acquisition offices in Basle, Bern, Lausanne, Pfaeffikon and Thalwil, and was primarily active in the field of system house and hardware sales. With its purchase of CDC IT Group, Bechtle was further expanding its market position in Switzerland in the IT system house segment, and getting closer to its objective of being able to work with system houses throughout Switzerland.

In balance sheet terms the acquisition at the time of initial consolidation was as follows:

th. Euros

CURRENT ASSETS	
Cash	1,230
Accounts receivable	2,277
Inventories	7
Other current assets	819
	4,333
NON CURRENT ASSETS	
Tangible assets	739
Established clientele	650
Goodwill	484
	1,873
Total assets	6,206
CURRENT LIABILITIES	
Trade accounts payable	1,607
Other current liabilities	1,646
	3,253
NON CURRENT LIABILITIES	
Deferred tax liabilities	158
	158
Total liabilities	3,411
Total assets -	
Total liabilities =	2,795

Customer Relations of taskarena AG, Unna, Bonn Office

On 1 March 2005, information was obtained from taskarena AG, Unna, on the customer relations of its office in Bonn. The price amounted to th. Euros 165, which was paid in cash.

With the purchase of this information on customer relations and the foundation of a new company - Bechtle GmbH & Co. KG, Bonn – Bechtle Group's IT system house segment has enhanced its presence North-Rhine Westphalia.

DELEC AG, Guemligen, Canton of Berne, Switzerland

Pursuant to a purchase contract concluded on 14 April 2005, Bechtle AG acquired all shares in DELEC AG against payment of a purchase price of th. Euros 10,407.

The acquisition was accounted for using the purchase method of accounting. The consolidation of capital resulted in a difference of th. Euros 5,127 after taking into account the acquired net assets (th. Euros 5,280). According to IFRS 3, which was applied together with IAS 38, th. Euros 1,626 of this amount were allocated to acquired established clientele, which will be amortised over a five-year period, and th. Euros 66 were allocated to the acquired customer service contracts, which will be amortised over their remaining time of maturity. In the course of capitalising the acquired established clientele and customer service contracts, provision was made for deferred tax liabilities in the amount of th. Euros 132, resulting in an increase in the remaining difference and will be written back parallel to the scheduled amortisation of the established clientele and customer service contracts over their respective useful lives. The remaining difference of th. Euros 3,567 could neither be allocated to a capitalised asset nor accounted for as a separate asset, and was therefore reported as goodwill.

DELEC AG (194 employees) was represented at time of acquisition at sites in Guemligen (Canton of Berne), Daellikon (Canton of Zurich), Frauenfeld (Canton of Thurgovia) and Liestal (Canton of Basle-Country). By acquiring DELEC AG Bechtle strengthened its position in the IT system house segment. Bechtle has, with this acquisition, basically concluded its expansion programme in Switzerland.

In balance sheet terms the acquisition at the time of initial consolidation was as follows:

th. Euros

CURRENT ASSETS	
Cash	3,193
Accounts receivable	4,422
Inventories	1,767
Other current assets	270
	9,652
NON CURRENT ASSETS	
Tangible assets	1,487
Established clientele	1,626
Customer service contracts	66
Goodwill	3,567
Deferred tax assets	403
	7,149
Total assets	16,801
CURRENT LIABILITIES	
Trade accounts payable	1,552
Other current liabilities	3,655
	5,207
NON CURRENT LIABILITIES	
Deferred tax liabilities	1,187
	1,187
Total liabilities	6,394
Total assets -	
Total liabilities =	10,407

compartner systems GmbH, Ratingen

On 1 April 2005 Bechtle AG acquired all shares in compartner systems GmbH against payment of a purchase price of th. Euros 2,480, not including incidental acquisition expenses in the amount of th. Euros 15.

The acquisition was accounted for using the purchase method of accounting. Based on a total purchase price of th. Euros 2,495, the consolidation of capital resulted in a difference of th. Euros 2,210 after taking into account the acquired net assets (th. Euros 285). According to IFRS 3, which was applied together with IAS 38, th. Euros 739 of this amount were allocated to acquired established clientele, which will be amortised over a five-year period and th. Euros 400 to acquired customer service contracts, which will be amortised over the remaining time to maturity. When the established clientele and the customer service contracts were capitalised, provision is made for deferred tax liabilities amounting to th. Euros 438, resulting in an increase in the remaining difference and will be written back parallel to the scheduled amortisation of the established clientele and the customer service contracts over its useful life. The remaining difference amounting to th. Euros 1,509 could not be allocated to a balance-sheet item or accounted for as a separate asset and was therefore reported as goodwill.

Compartner systems GmbH, including all its subsidiaries, employed at the time of acquisition a total of 135 persons in its system house group at three locations in Ratingen, Rheinbach and Wangen i.A. With this acquisition, Bechtle took a further step towards expanding its market position and increasing its share of the consolidating German system house market. The acquisition of compartner systems GmbH complemented and strengthened Bechtle's position in the IT system house segment, particularly in the IT infrastructure solutions field – from project services to complete outsourcing.

In balance sheet terms the acquisition at the time of initial consolidation was as follows:

th. Euros

CURRENT ASSETS	
Cash	1,068
Accounts receivable	1,474
Inventories	871
Other current assets	3,060
	6,473
NON CURRENT ASSETS	
Tangible assets	1,986
Goodwill	1,509
Established clientele	739
Customer service contracts	400
Deferred tax assets	110
Other intangible assets	9
	4,753
Total assets	11,226
CURRENT LIABILITIES	
Trade accounts payable	1,270
Other current liabilities	6,747
	8,017
NON CURRENT LIABILITIES	
Deferred tax liabilities	438
Other non current liabilities	276
	714
Total liabilities	8,731
Total assets -	
Total liabilities =	2,495

PP 2000 Business Integration AG, Stuttgart

Pursuant to a purchase contract concluded on 13 July 2005, Bechtle AG acquired all shares in the non-listed company PP 2000 Business Integration AG against payment of a purchase price of th. Euros 1,940, not including incidental acquisition expenses of 5 th. Euros. The purchase price will be increased subsequently if certain earnings before tax targets are achieved in financial years 2006 to 2008. The maximum increase in the purchase price is limited to th. Euros 900, so that the maximum final purchase price will be th. Euros 2,845.

The acquisition was accounted for using the purchase method of accounting. The increase in the purchase price (th. Euros 900) is considered likely, and therefore must be reported as a liability at the time of acquisition and accounted for as acquisition costs according to IFRS 3. Based on the total purchase price of th. Euros 2,845, the consolidation of capital resulted in a difference of th. Euros 1,702 after taking into account the acquired net asset (th. Euros 1,143). In accordance with IFRS 3, which was applied in conjunction with IAS 38, th. Euros 750 were allocated to the acquired established clientele, which will be amortised over a five-year period. In the course of capitalising the established clientele, provision is made for deferred tax liabilities amounting to th. Euros 288, resulting in an increase of the remaining difference and will be written off again parallel to scheduled amortisation of established clientele over its useful life. The remaining difference amounting to th. Euros 1,240 could neither be allocated to a balance-sheet item nor accounted for as a separate asset, and therefore was reported as goodwill.

PP 2000 Business Integration AG (including subsidiary) with head offices in Stuttgart and a logistics centre in Kornwestheim employed at time of acquisition approximately 80 staff and, based on its annual revenues in 2004, was ranked 24th largest system house in Germany. With an area-wide IT infrastructure products service and its own logistics network, the PP 2000 portfolio includes, in particular, service packages as well as maintenance services for printers, PCs and IT systems. With this acquisition in the IT system house segment, Bechtle has expanded its nationwide activities in the IT services sector.

In balance sheet terms the acquisition at the time of initial consolidation was as follows:

th. Euros

CURRENT ASSETS	
Cash	161
Accounts receivable	5,274
Inventories	2,968
Other current assets	510
	8,913
NON CURRENT ASSETS	
Tangible assets	1,527
Goodwill	1,240
Established clientele	750
Deferred tax assets	189
Other intangible assets	47
Other non current assets	71
	3,824
Total assets	12,737
CURRENT LIABILITIES	
Trade accounts payable	4,063
Other current liabilities	5,541
	9,604
NON CURRENT LIABILITIES	
Deferred tax liabilities	288
	288
Total liabilities	9,892
Total assets - Total liabilities =	2,845

PSB Service GmbH, Gaildorf

On 1 October 2005, Bechtle took over from IBM Business Services GmbH, Stuttgart, by contractual agreement, 107 members of staff of the Strategic Outsourcing division, as well as the service and support for some 50,000 PC workstations.

In the context of the partial business takeover, which is to be treated according to IFRS 3, Bechtle acquired net assets to the value of th. Euros 75 against payment of a purchase price of th. Euros 62 plus incidental acquisition expenses of th. Euros 13.

The acquisition of the Deskside Support Services division from IBM reinforced Bechtle's position in the Managed Services area of the IT system house segment and strengthened its strategic alliance with IBM. Bechtle plans to develop Managed Services into one of its key core competences in order to benefit from the growth in the IT outsourcing segment. The staff, taken over by Bechtle, works mainly on-site at customer locations.

In balance sheet terms the takeover at the time of acquisition was as follows

th. Euros

CURRENT ASSETS	
Other current assets	618
	618
NON CURRENT ASSETS	
Tangible assets	62
Established clientele	100
Customer service contracts	424
Deferred tax assets	202
	788
Total assets	1,406
CURRENT LIABILITIES	
Other current liabilities	632
	632
NON CURRENT LIABILITIES	
Deferred tax liabilities	201
Other non current liabilities	498
	699
Total liabilities	1,331
Total assets - Total liabilities =	75

X. PRO-FORMA INFORMATION

If the companies acquired in the year under review had been acquired at the start of the financial year 2005, the Company's key data would have been as follows:

th. Euros

	2005
Revenues	1,234,997
Earnings after tax	29,099
Earnings per share (in Euro)	1.3703

XI. EMPLOYEES

On average, 3,406 employees and 212 trainees were employed Group-wide in the financial year (2004: 2,996 employees, trainees: 176).

Personnel expenses are composed as follows:

th. Euros

	2005	2004
Wages and salaries	157,749	136,972
Social security payments and expenditure for staff pensions and support	20,719	18,729
Total personnel expenses	178,468	155,701

XII. AUDIT FEES

For services rendered by the auditors of the annual accounts and consolidated financial statements, Ernst & Young AG Wirtschaftsprüfungsgesellschaft, the following fees have been recorded as expenses in the 2005 financial year:

th. Euros

	2005
Audits	257
Audit-related confirmation services	109
Tax consultancy services	11
Other services rendered to Bechtle AG or subsidiaries	26
	403

The fees for the audits include in particular the fees for the consolidated financial statements as well as for auditing the annual accounts of Bechtle AG and its domestic subsidiaries. The audit-related services include fees for auditing the annual accounts of subsidiaries which are not subject to statutory audit.

XIII. EVENTS AFTER THE BALANCE-SHEET DATE

In January 2006, ARP Datacon BV in Maastricht (NL) was founded with equity amounting to th. Euros 2,500. Artikona Nederland BV, Artikona Facilities BV and Artikona Supplies BV were acquired retroactively with effect from 1 January 2006 through the newly founded company. These companies are organisationally and operatively independent, and will in future continue to be regarded as separate units. The main area of activity of the trading companies is the sale of high-margin IT customer service contracts. Artikona is one of the largest HP partners in the Netherlands and is Microsoft's largest Open Subscription Licence Reseller.

In February the organisational structure of Bechtle was realigned. The key element is the separation of strategic corporate management by the Executive Board from the management of the operative units by Divisional Boards. This action, taken in response to the growth in the size of the company, will ensure a high level of efficiency in the control and management of the Bechtle Group. Moreover, this serves to maintain continuity in terms of the decentralised responsibility of the subsidiary companies.

XIV. NOTIFICATIONS PURSUANT TO ARTICLE 25 PARAGRAPH 1 OF THE GERMAN SECURITIES TRADING ACT, WpHG (WERTPAPIERHANDELSGESETZ)

In a letter of 8 April 2002, BWK GmbH Unternehmensbeteiligungsgesellschaft, 70173 Stuttgart, informed us as follows: "We herewith inform you in accordance with Article 41 Paragraph 2 sentence 1 of the WpHG that, as of 1 April 2002, we are entitled to 19.39% of the voting rights in Bechtle AG."

In a letter of 16 May 2002, Ms. Karin Schick-Krief, 74405 Gaildorf, informed us as follows: "I herewith inform you that, as of 1 April 2002, in accordance with Article 41 of the WpHG I am entitled to 28.5% of the voting rights in the company. Of said voting rights, 1.22% are to be attributed to me in accordance with Article 22 Paragraph 1 sentence 1 (1) of the WpHG, and 0.37% are to be attributed to me in accordance with Article 22 Paragraph 1 sentence 1 (6) of the WpHG."

XV. Executive and Supervisory Board

Members of the Executive Board

Ralf Klenk, CEO, Dipl.-Ing. (FH)

Place of residence: Heilbronn

responsible for Finances, Business Planning, Public Relations, Staff and IT.

- Chairman of the Supervisory Board
of PP 2000 Business Integration AG, Stuttgart (since 15 August 2005)
- Member of the Supervisory Board
of the Volksbank Heilbronn eG
- Member of the Executive Board
of PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen
- Member of the IHK general assembly Heilbronn-Franken

Gerhard Marz, COO, Dipl.-Ing

Place of residence: Speyer

responsible for the IT system house segment and Competence Centres.

- Member of the Supervisory Board of PP 2000 Business Integration AG, Stuttgart (since 15 August 2005)
- Member of the Executive Board of PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen

Juergen Schaefer, COO, Dipl.-Kfm.

Place of residence: Heilbronn

responsible for the IT e-commerce segment as well as the Logistics & Service division.

- Member of the Supervisory Board of PP 2000 Business Integration AG, Stuttgart (since 15 August 2005)

Number of Shares held in Bechtle AG

	31.12.2005	31.12.2004
Ralf Klenk	352,462	352,462
Gerhard Marz	6,916	6,916
Juergen Schaefer	4,000	4,000

Members of the Supervisory Board

All details relating to the Supervisory Board, which must be published to comply with legal requirements or a recommendation of the German Corporate Governance Codex government commission are summarised in the Corporate Governance Report and in the attachment B to these notes.

Neckarsulm, 8 March 2006

Bechtle AG

The Executive Board

// CHANGES IN GROUP FIXED ASSETS

from 1 January to 31 December 2005 (Attachement A to notes)

in th. Euros

COST OF ACQUISITION AND PRODUCTION							
	01.01.2005	Change in scope of consolidation	Other additions	Differences in currency	Disposals	Transfer restructure	31.12.2005
I. INTANGIBLE ASSETS							
1. Software	11,226	58	1,738	-9	60	0	12,953
bought-in software	7,509	58	1,738	-9	60	0	9,236
homegrown software	3,717	0	0	0	0	0	3,717
2. Established clientele	14,941	3,847	165	-25	0	0	18,928
3. Brands	2,750	0	0	0	0	0	2,750
4. Customer service contracts	310	890	0	0	0	0	1,200
5. Goodwill	81,607	7,650	308	-46	0	0	89,519
6. Advanced payments	0	0	0	0	0	0	0
	110,834	12,445	2,211	-80	60	0	125,350
II. TANGIBLE ASSETS							
1. Property and buildings	9,319	278	73	-33	565	-2,861	6,211
2. Miscellaneous equipment and fixtures	28,688	5,523	6,259	-27	5,397	0	35,046
3. Plant and machinery	55	0	9	0	5	0	59
	38,062	5,801	6,341	-60	5,967	-2,861	41,316
III. INVESTMENTS							
1. Notes receivable / loans	1,625	0	80	-6	11	0	1,688
2. Investment property	0	0	0	0	0	2,861	2,861
	1,625	0	80	-6	11	2,861	4,549
	150,521	18,246	8,632	-146	6,038	0	171,215

CUMULATE DEPRECIATION							NET BOOK VALUE		
	01.01.2005	Change in scope of consolidation	Other additions	Differences in currency	Disposals	Transfer restructure	31.12.2005	31.12.2005	31.12.2004
	7,734	0	2,146	-5	54	0	9,821	3,132	3,492
	4,350	0	1,945	-5	54	0	6,236	3,000	3,159
	3,384	0	201	0	0	0	3,585	132	333
	3,271	0	2,005	-2	0	0	5,274	13,654	11,670
	0	0	0	0	0	0	0	2,750	2,750
	38	0	503	0	0	0	541	659	272
	0	0	0	0	0	0	0	89,519	81,607
	0	0	0	0	0	0	0	0	0
	11,043	0	4,654	-7	54	0	15,636	109,714	99,791
	908	0	328	-4	291	-215	726	5,485	8,411
	19,699	0	6,939	-20	4,618	0	22,000	13,046	8,989
	22	0	5	0	4	0	23	36	33
	20,629	0	7,272	-24	4,913	-215	22,749	18,567	17,433
	0	0	0	0	0	0	0	1,688	1,625
	0	0	0	0	0	215	215	2,646	0
	0	0	0	0	0	215	215	4,334	1,625
	31,672	0	11,926	-31	4,967	0	38,600	132,615	118,849

// CHANGES IN GROUP FIXED ASSETS

from 1 January to 31 December 2004 (Attachement A to notes)

in th. Euros

COST OF ACQUISITION AND PRODUCTION								
	01.01.2004	Adjustments first-time of consolidation	Change in scope of consolidation	Other additions	Differences in currency	Disposals	Transfer restructure	31.12.2004
I. INTANGIBLE ASSETS								
1. Software	9,556	0	829	1,407	0	566	0	11,226
2. Established clientele	8,886	-331	6,250	129	7	0	0	14,941
3. Brands	0	0	2,750	0	0	0	0	2,750
4. Customer service contracts	0	0	310	0	0	0	0	310
5. Goodwill	69,513	3,190	8,846	0	58	0	0	81,607
6. Advanced payments	137	0	0	0	0	28	-109	0
	88,092	2,859	18,985	1,536	65	594	-109	110,834
II. TANGIBLE ASSETS								
1. Property and buildings	5,076	0	3,733	567	0	57	0	9,319
2. Miscellaneous equipment and fixtures	25,405	0	2,831	6,403	50	6,110	109	28,688
3. Plant and machinery	53	0	0	2	0	0	0	55
	30,534	0	6,564	6,972	50	6,167	109	38,062
III. INVESTMENTS								
1. Notes receivable / loans	0	0	1,314	832	0	521	0	1,625
	0	0	1,314	832	0	521	0	1,625
	118,626	2,859	26,863	9,340	115	7,282	0	150,521

CUMULATE DEPRECIATION								NET BOOK VALUE	
01.01.2004	Adjustments first-time of consolidation	Change in scope of consolidation	Other additions	Differences in currency	Disposals	Transfer restructure	31.12.2004	31.12.2004	31.12.2003
5,324	0	0	2,645	0	235	0	7,734	3,492	4,232
1,495	0	0	1,678	98	0	0	3,271	11,670	7,391
0	0	0	0	0	0	0	0	2,750	0
0	0	0	38	0	0	0	38	272	0
0	0	0	0	0	0	0	0	81,607	69,513
0	0	0	0	0	0	0	0	0	137
6,819	0	0	4,361	98	235	0	11,043	99,791	81,273
237	0	0	671	0	0	0	908	8,411	4,839
18,431	0	0	6,182	19	4,933	0	19,699	8,989	6,974
18	0	0	4	0	0	0	22	33	35
18,686	0	0	6,857	19	4,933	0	20,629	17,433	11,848
0	0	0	0	0	0	0	0	1,625	0
0	0	0	0	0	0	0	0	1,625	0
25,505	0	0	11,218	117	5,168	0	31,672	118,849	93,121

// MEMBERS OF THE SUPERVISORY BOARD

Attachment B to the Notes

Shareholders' Representatives

	Member since	Occupation	Membership of supervisory boards and other executive bodies within the meaning of Article 125, Paragraph 1, line 3 of the German Companies Act
Otto Beilharz	20 May 1999	CEO	Member of the Supervisory Board - of Kellner & Kunz AG, Vienna, Austria - of PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen Chairman of the Advisory Council - of Karl Schuessler GmbH & Co. KG, Bodelshausen
Kurt Dobitsch	20 May 1999	Entrepreneur	Chairman of the Supervisory Board - of United Internet AG, Montabaur - of Nemetschek AG, Munich Member of the Supervisory Board - of 1&1 Internet AG, Karlsruhe - of PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen - of DOCUWARE AG, Munich
Gerhard Schick Chairman of the Supervisory Board	22 March 2004	Businessman	Chairman of the Supervisory Board - of PSB AG fuer Programmierung und Systemberatung, Ober-Moerlen Chairman of the Administrative Board - of Bechtle Data AG, Regensdorf, Switzerland (until 31.12.2005) - of Bechtle Holding Schweiz AG, Rotkreuz, Switzerland (since 01.01.2006) Member of the Administrative Board (until 31.12.2005) - of ARP Holding AG, Rotkreuz, Switzerland - of Bechtle Comsoft Direct S.A., Gland, Switzerland - of Comsoft Direct S.A., Gland, Switzerland - of Gate Informatic AG, Bern, Switzerland
Karin Schick-Krief	(02.10.03 - 22.03.04) since 9 August 2004	Master of Arts	
Klaus Winkler	20 May 1999	CEO	Member of the Supervisory Board - of Sick AG, Waldkirch - of IMS Gear GmbH, Eisenach - of BW Venture Capital GmbH, Stuttgart Member of the Advisory Council - of Dieffenbacher GmbH & Co., Eppingen - of Joma Polytec GmbH, Bodelshausen - of Reich Spezialmaschinen GmbH, Nuertingen
Dr. Jochen Wolf 2nd Deputy Chairman of the Supervisory Board	2 October 2003	CEO	Chairman of the Supervisory Board - of Storsack Holding GmbH, Viernheim Member of the Supervisory Board - of LTS Lohmann Therapie-Systeme AG, Andernach - of r-biopharm AG, Darmstadt Member of the Administrative Boards - of E.G.O. Blanc & Fischer-Firmengruppe, Oberderdingen Member of the Advisory Council - of Bardusch GmbH & Co., Ettlingen

Employees' Representatives

	Member since	Occupation	Membership of supervisory boards and other executive bodies within the meaning of Article 125, Paragraph 1, line 3 of the German Companies Act
Uli Drautz	15 October 2003	Clerical Staff Member	
Ralf Feeser Deputy Chairman of the Supervisory Board	15 October 2003	Senior Clerical Staff Member	
Barbara Greyer	15 October 2003	Head of IT districts division of the German public service union (ver.di) Baden-Wuerttemberg	
Peter Leweke	15 October 2003	Technical Staff Member	
Daniela Ludewig	15 October 2003	Clerical Staff Member	
Dr. Rudolf Luz	15 October 2003	Chief Representative of the Metal Workers' Union (IG Metall) Heilbronn-Neckarsulm	Deputy Chairman of the Supervisory Board - of Kolbenschmidt Pierburg AG, Neckarsulm Member of the Supervisory Board - of Rheinmetall AG, Duesseldorf - of Wirtschaftsfoerderung Raum Heilbronn GmbH

// AUDITORS' REPORT

We have issued the following audit certificate for the consolidated annual accounts and the Group Management Report:

“We have audited the consolidated annual accounts of Bechtle AG, Neckarsulm, consisting of the balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and notes to the annual accounts, as well as the consolidated management report for the financial year from 1 January to 31 December 2005. Preparation of the consolidated annual accounts and the Group Management Report in accordance with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Article 315a Paragraph 1 HGB (“Handelsgesetzbuch”: German Commercial Code) is the responsibility of the parent company's Executive Board. Our responsibility is to express an opinion on the consolidated annual accounts and on the Group Management Report based on our audit.

We conducted our audit in accordance with Article 317 HGB (German Commercial Code) and the generally accepted standards promulgated by the Institute of German Certified Public Accountants (IDW). Those standards require that we plan and conduct the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated annual accounts in accordance with the applicable financial reporting framework and in the Group Management Report are detected with reasonable assurance. In determining the scope of the audit, our understanding of the business operations, the company's economic and legal environment, and any anticipated potential errors have been taken into account. In the course of the audit, the effectiveness of the internal accounting control system and evidence of the disclosures in the consolidated annual accounts and management report have been assessed mostly on the basis of random checks. The audit includes assessing the annual accounts of those entities included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the company's Executive Board, as well as evaluating the overall presentation of the consolidated annual accounts and the Group Management Report. We believe that our audit provides a sufficiently sound basis for our opinion.

Our audit gave rise to no objections.

In our opinion based on the findings of our audit the consolidated annual accounts comply with the IFRS as adopted by the EU, the additional requirements of German commercial law pursuant to Article 315a Paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The Group Management Report is consistent with the consolidated annual accounts and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.”

Heilbronn, 14 March 2006

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

Sohler
Independent Auditor

Moschall
Independent Auditor

// GLOSSARY OF TERMS

SPECIALIST GLOSSARY

ADMINISTRATOR

An administrator is responsible for servicing, administering and supporting a system. For this purpose administrators have unrestricted access to the system.

APPLICATION

An application is understood to mean a computer programme used to perform certain tasks.

BACK-UP LINE

Second line for security that assumes the task of transmitting data flows if the main line fails.

CAD (Computer Aided Design)

CAD systems allow designers to produce and modify technical drawings with the aid of a special program. They are used for interactive 2D and 3D geometric modelling on the computer.

DESKTOP SUPPORT SERVICES

(Desktop = computer work and user interface) IT services on the user's desktop. See also Managed Services.

ENTERPRISE COMPUTING

Enterprise Computing focuses on the IT organisation of large companies and refers to the use of high availability systems and a company-wide network infrastructure to deal with the special challenges of processing of large quantities of data.

E-PROCUREMENT

Refers to electronic, i.e. online web-based procurement. The aim is to improve quality and costs in purchasing.

FIREWALL

Selective filter software that only allows certain data to pass through and thus provides protection against attacks from outside or unauthorised access. It can be equated with passport checks at border crossings.

FULFILMENT PARTNER

The fulfilment partner handles the entire order processing system. The services provided range from taking the order to delivering the goods to the customer by the fastest possible means.

IT

Is the abbreviation for information technology and has become a generic term for computer technology and telecommunications, in particular for data transmission technologies.

MANAGED SERVICES

Services aimed at assuming a company's tasks that are not part of its core business, such as supporting the IT infrastructure. In addition to reducing IT costs, the managed services partner ensures that the technology used is highly standardised and that the IT infrastructure provided is thus secure. See also Outsourcing.

OUTSOURCING

Outsourcing describes the forwarding of company tasks to third parties. Outsourcing is therefore a special form of outside procurement of a service that had been carried out internally.

PC

Abbreviation for the trade name Personal Computer, which in specialist circles distinguishes IBM-compatible computers (used operating systems: Microsoft, Linux) from Apple Macintosh models – and others.

ROLLOUT

Rollout is used to describe the delivery of new or replacement of old hardware. In addition, the roll-out process includes the disposal of used hardware, and the delivery and installation of operating systems and all desired applications.

SECURITY

In the IT world, this refers to all the hardware and software tools used to protect or monitor a computer or computer system.

SERVER

Central computer in a network that provides the workstations (clients) with data, storage space and resources, and that administers the network.

STORAGE

The rapid increase in the amount of data to be stored and the enormous demands placed on the information available are a severe challenge to a company's IT infrastructure and require intelligent storage networks.

SUPPORT

A problem-related consulting activity, e.g. in call centres. The objective consists of processing and dealing with support inquiries from internal or external customers via telephone, e-mail or other means of communication.

FINANCIAL GLOSSARY

BASEL II

Equity capital regulations of the Basel Committee on Banking Supervision. The regulations will come into force in the European Union at the end of 2006. The objective is to secure an appropriate equity base for banks and create uniform competitive conditions for credit allocation and credit operations.

BOOK VALUE

A company's book value is largely made up of the tangible assets. It is used as an indicator of a company's asset base.

CAPITAL CONSOLIDATION

As part of the consolidated annual accounts, consolidation of the cross-shareholding relationships between the companies within a group must take place. This involves adding the subsidiary statements to create one consolidated statement, e.g. the individual accounts of the subsidiary companies to form the consolidated group accounts. This is done by offsetting the net book value of the investment against the pro rata return on capital employed ratio of each of the subsidiary companies.

CASH FLOW

A cash balance consisting of cash inflow and outflow. Cash Flow is derived from a company's annual accounts.

COMPLIANCE

Compliance with rules of conduct, laws and directives.

CORPORATE GOVERNANCE

The German Corporate Governance Code is aimed at making the rules applying to corporate management in Germany and supervision for national as well as international investors transparent, so as to strengthen the trust placed in the corporate management of German companies. German listed companies are required to apply the code recommendations or otherwise publish deviations from corporate governance principles.

DECLARATION OF COMPLIANCE

A statement made by the Board of Management and the Supervisory Board in accordance with Article 161 AktG (German Companies Act) that they comply with the recommendations of the Government Commission's German Corporate Governance Code.

DESIGNATED SPONSOR

Banks, merchant banks, private bankers, investment and venture capital companies can assume the role of the designated sponsor for companies on the stock exchange. Their job is to guarantee liquid trading at the stock exchange.

DIRECTORS' DEALINGS

The obligations to notify and publish pursuant to Article 15a of WpHG (German Securities Trading Act) specifying that executive and supervisory board members of listed companies, or natural or legal persons who are closely related to an executive employee, are required to publish transactions they make involving securities issued by their companies without delay, if they have exceeded € 5,000 euros by the end of a calendar year.

DUE DILIGENCE

Due diligence describes the "level of care", used during the acquisition or sale of companies and interests in reviewing the subject matter of the contract as preparation for the acquisition.

EBIT

(Operating) Earnings before Interest and Taxes. The benefit of this indicator is that it excludes extraordinary effects. EBIT is an internationally recognised performance indicator with a high level of comparability, as both the gearing ratio and the different local tax burdens are eliminated.

EBITDA

Earnings before Interest, Taxes, Depreciation and Amortisation.

EBITDA MARGIN

Is calculated by dividing EBITDA by net revenues. The higher the resultant value, the higher the earnings power of the company.

EQUITY CAPITAL RATIO

Equity capital ratio: an indicator used in capital structure analysis, which compares equity with the company's total assets. The higher the resultant value, the lower the gearing ratio.

EPS

Earnings per share

FREE FLOAT

Of the total number of issued shares, free float refers to the number or percentage of shares of a public company that are not held by major shareholders and thus available for trading on the stock market. Major shareholders in this context refers to anyone who owns more than five percent of the shareholding in a company.

GEARING RATIO

Indicates the ratio of borrowed funds to equity capital.

GOODWILL

Goodwill arises at the time of the first-time consolidation following a merger or acquisition from the difference between purchase price and the value of the net assets acquired.

IFRS

Since 1 January 2005, all listed companies within the EU are required to prepare their consolidated financial statements in accordance with IFRS. The International Financial Reporting Standards (IFRS) are accounting standards issued by IASB (International Accounting Standards Board), an internationally recognised accounting organisation. The aim is to create a transparent and comparable accounting system on an international scale. Annual accounts prepared in accordance with IFRS provide investors with the information they require to make informed decisions on the liquidity and earnings situation of a company. Annual accounts prepared in accordance with the German Commercial Code (HGB), in contrast, is based primarily on the concept of protecting the creditor. See also U.S. GAAP.

INVENTORY TURNOVER RATE

Is the ratio of revenues to inventories. The value indicates the speed at which inventories are sold.

MARKET CAPITALISATION

Indicates the value of a company as determined by the stock market, and is calculated by multiplying the number of issued shares by their current market price. In addition to trading volume, market capitalisation is one of the key criteria for a share's inclusion in a share index.

PERFORMANCE

An indication of the growth of a security.

RETURN ON EQUITY

ROE indicates the profit a company earned in comparison to the total amount of shareholders' equity on the balance sheet. The indicator shows what interest the shareholders' equity carries.

RETURN ON REVENUES

Earnings after tax as a percentage of sales. This value indicates what percentage of sales is returned to the company as earnings after all costs, the financial result, taxes and extraordinary items have been deducted.

RETURN ON TOTAL ASSETS

The ratio is calculated by dividing the after-tax earnings plus interest expense by the average annual balance sheet total. It provides information on the return on invested capital in the financial year.

RISK MANAGEMENT

Systematic approach used to identify and assess potential risks, and to select and implement procedures to deal with risks.

ROADSHOW

The roadshow is an investor relations instrument. It consists of company presentations in financial centres geared towards potential or existing investors.

SARBANES-OXLEY ACT

US Act aimed at improving corporate reporting. The Act aims to restore investors' trust in the accuracy of financial data published by companies. The Act applies to US and foreign companies listed in US stock exchanges and to foreign subsidiaries of American companies.

SQUEEZE-OUT

Proceeding that allows the majority shareholder in a company to take control of the stakes of the minority shareholders, compensating them with a suitable cash payment. A prerequisite for this practice, in accordance with German law is that the majority shareholder owns at least 95 percent of the company's shares. A squeeze-out facilitates a so called Going Private – the complete recapture of a listed company from the stock exchange. Shareholders will decide whether or not the share transfer takes place at the General Shareholders' Meeting.

SURETY CREDIT

The surety credit is a secured credit in which the financing institution does not pay out the credit amount, but puts up an absolute guarantee equivalent to the sum of the credit.

TECDAX

German select index for the 30 technology companies that follow the DAX share index in terms of order book trading volume and market capitalisation. Bechtle AG is also listed in this index.

U.S. GAAP

To ensure that company data are comparable, all quarterly and annual statements must comply with certain legal fundamental principles that are subject to stringent controls. There are two key international standards for listed companies: International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Principles (U.S. GAAP). In Germany, the regulations of the German Commercial Code (HGB) also apply. U.S. GAAP is the most widely used financial reporting method in the USA. As of 1 January 2005, all EU-wide listed companies are under obligation to prepare their balance sheets according to IFRS. This is aimed at facilitating international comparisons between companies, and providing greater transparency in capital markets. IFRS and U.S. GAAP are similar with respect to organisation and structure. However, HGB varies considerably from these two standard. See also IFRS.

VOLATILITY

Expresses the fluctuation range of a share price around its mean value within a specified period.

WORKING CAPITAL

This is calculated on the basis of inventories plus accounts receivable from trading less trade accounts payable and received advances. The ratio shows which part of current assets generates sales for a company, without capital costs in the narrower sense.

// TEAM SPIRIT PHOTO LEGEND

From top left to bottom right.

// SEITE 14 15

IT SYSTEM HOUSE ZÜRICH

- (1) Michael Fruet
- (2) Thomas Keller / Joyce Samal / Jasmin Hofstetter / Beat Kraft
- (3) Stefan Troxler / Rolf Zoppe / Harald Burch
- (4) Joyce Samal / Michael Fruet / Kurt Ebner / Stefano Omodei
- (5) Roland Richner / Markus Schmid
- (6) Michael Fruet / Stefano Omodei / Jürg Gugger

// SEITE 16 17

E-COMMERCE FRANCE

- (1) Alain Baselga
- (2) Bénédicte Simonot / Vincent Pflieger / Françoise De Rynck
- (3) Sylvain Pancrace / Julien Malnory
- (4) Cédric Didier / Christelle Faille / Christopher Cabrol
- (5) Laurence Cantarini / Nathalie Dridi / Jérémie Blenck

// SEITE 18 19

CENTRAL SERVICES BASIC INSTALLATION

- (1) Joachim Sammet
- (2) Axel Pflüger / Joachim Henk / Martin Lang / Rainer Weil / Andreas Ruckwied
- (3) Joachim Sammet / Andreas Ruckwied
- (4) Joachim Henk / Erhard Klein
- (5) Andreas Ruckwied / Martin Lang

// SEITE 20 21

COMPETENCE CENTRE REMOTE CONTROL CENTRE

- (1) Marcus Zimmermann
- (2) Marco Bühler / Michel Adjibi
- (3) Frank Schädel / Gordon Weissenberger
- (4) Türker Ocakdan / Heinz Reichold / Stefan Jozwiak / Simon Sommer
- (5) Christian Freisleben / Klaus-Georg Teutsch / Ulrike Chetta / Gordian Struck

// SEITE 22 23

LOGISTICS & SERVICE PRODUCT MANAGEMENT / VIPM

- (1) Reinhold Käfer
- (2) Reinhold Käfer / Michael Hertel / Stefan Groß / Tobias de Roos
- (3) Michael Hertel / Thorsten Becker / Thomas Haller / Stefan Groß / Thorsten Becker
- (4) Monika Dürr / Tobias de Roos / Stefan Dürr / Wolfgang Diptmar / Thomas Raab
- (5) Michael Hertel / Thorsten Becker / Susanne König / Bianca Behrendt

// SEITE 24 25

TRAINING CENTRE MANNHEIM

- (1) Yvonne Auer-Jourdan
- (2) Antonia Mannino / Daniela Mansar
- (3) Yvonne Auer-Jourdan / Antonia Mannino
- (4) Yvonne Auer-Jourdan / Antonia Mannino
- (5) Yvonne Auer-Jourdan

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// FINANCIAL CALENDAR

// ACCOUNTS PRESS CONFERENCE

29 March 2006
Steigenberger Hotel Graf Zeppelin, Stuttgart

// DVFA ANALYSTS' CONFERENCE

30 March 2006
DVFA-Center, Frankfurt

// INTERIM REPORT 1st QUARTER 2006 (1 January to 31 March)

12 May 2006
Conference Call with analysts, investors and media

// GENERAL SHAREHOLDERS' MEETING 2006

20 June 2006, 10.00 a.m.
Harmonie Concert and Congress Centre, Heilbronn

// DIVIDEND PAYMENT

21 June 2006
(subject to approval by the General Shareholders' Meeting)

// INTERIM REPORT 2nd QUARTER 2006 (1 April to 30 June)

11 August 2006
Conference Call with analysts, investors and media

// INTERIM REPORT 3rd QUARTER 2006 (1 July to 30 September)

14 November 2006
Conference Call with analysts, investors and media

Future-based statements

This annual report contains statements that relate to the future development of Bechtle AG. These statements are based on assumptions and estimates. Although the Executive Board is convinced that the forward-looking statements are realistic, no guarantee can be given. The assumptions hide risks and uncertainties that could cause actual events to vary considerably from those which are expected. This applies, for instance, to the future development of the market, the macroeconomic environment and the behaviour of market makers, as well as the integration of recently acquired companies and the realisation of expected synergy effects. Bechtle AG does not undertake any special obligation to update the future-based statements made in this report in order to bring them into line with developments and events that occur after the date of publication of this annual report.

// IMPRINT

PUBLISHED BY
Bechtle AG, Neckarsulm

CONCEPT, CONTENT, TEXT
Sabine Emich, Bechtle AG

LAYOUT AND ILLUSTRATION
atelier-2, Ludwigsburg / Bruchsal
Alessandra Dragna

PHOTOGRAPHY
Niels Schubert, Stuttgart

LITHOGRAPHY
Präsentations-Service, Stuttgart

PRINT
ColorDruck GmbH, Leimen

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This Annual Report is available in German and English. Both versions can be downloaded at www.bechtle.com. An online version is also available on the website. On request, we would be pleased to send you further copies of the printed German version free of charge.

The Annual Report 2005 was published on March 29, 2006.