

Ad hoc Announcement

PC-WARE AG Q3: Best Q3 in company history – structural enhancements and staff expansion

- Revenue: EUR 247.9 million (+20% y.o.y.)
- Gross profit: EUR 30 million (+26% y.o.y.)
- EBITDA: EUR 7.3 million (+14% y.o.y.)
- EBT: EUR 6.6 million (+29% y.o.y.)
- Net profit for period: EUR 4.1 million (+26% y.o.y.)

Leipzig, 28 Feb. 2007 – In a period in which, contrary to popular opinion, neither the introduction of Microsoft's new Vista operating system and next-generation Office applications nor large-scale purchases in the run-up to Germany's VAT rise played a particularly dominant role, PC-WARE AG managed to propel revenue upwards by 20.4% to EUR 247.9 million, thus delivering the best-ever quarterly performance in the company's history.

Revenue growth was driven mainly by sizeable gains (+24%) within the core segment of Software Licensing and Software Management (SSL). The company also produced encouraging growth within the System-house segment (ISS), which edged up by around 9%. Revenue generated by the Consulting & Services segment (PS) remained stable year on year. Business within this area was dominated by far-reaching structural changes made over recent months. The organisational measures and HR investments implemented in this segment are expected to have a favourable effect on revenue and earnings performance over the coming quarters.

PC-WARE's success in the third quarter was reflected in the performance of its regional companies. With the exception of Austria (and PC-WARE's small-scale South African subsidiary), all regional enterprises managed to surpass the solid results recorded a year ago, in some cases by a considerable margin. The level of growth achieved in the United Kingdom, where revenue was propelled upwards by 58%, and in the Czech Republic, where revenue climbed by 39%, was particularly impressive. The sizeable increase in revenue recorded in PC-WARE's domestic market, Germany, which grew by approx. 19%, was particularly impressive given the significant share of the local market already held by the company.

EBITDA performance was influenced by higher staff costs – on the one hand as a result of the first-time consolidation of Ravenholm enterprises in a third quarter and on the other hand due to a considerable increase in staffing levels aimed at strengthening the Consulting & Services segment. Additionally, management and organisational structures were further upgraded as an essential prerequisite for continued growth. EBITDA rose by 14.4% to EUR 7.3 million, the highest quarterly operating result ever achieved by PC-WARE.

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Registering a year-on-year improvement in its net finance result by EUR 547 thousand, the company managed to increase earnings before taxes (EBT) substantially in the period under review, posting a total of EUR 6.6 million (+29.2%). The trend witnessed within this area over the last few quarters is a tribute to PC-WARE's incisive realignment of financial management.

Net profit for Q3 2006/7 (after minority interests) stood at EUR 4.1 million, which represents an increase of 26.4% compared with the same quarter in 2005/6.

Following PC-WARE's very solid performance in the first three quarters of the financial year, the company is expecting to see more moderate growth in the fourth quarter, which is generally considered a less buoyant sales period. Operating against this background and considering the investments made by PC-WARE, the Management Board is currently of the opinion that the company will not be in a position to meet fully the EBITDA target of EUR 15 million set at the beginning of the financial year. EBITDA is now estimated to be EUR 13 million. The revenue target of EUR 700 million for the financial year as a whole has been reaffirmed.

The full quarterly report can be accessed via www.ir.pc-ware.de.

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PC-Ware AG

PC-Ware Information Technologies AG is one of the leading manufacturer-independent IT enterprises in Europe, offering a comprehensive service portfolio which covers licensing of standardised software, software management, system support, proprietary software solutions and complete system-house services, in addition to financial services provided via its own subsidiaries. PC-WARE is the outright market leader in Europe within its core business of software licensing and licence management; it is ranked third in Germany's system-house league table.

Employing more than 1,200 people and serving around 85,000 customers, the company operates subsidiaries in 15 European countries (D, GB, F, I, BE-NE-LUX, A, CZ, CH, DK, FIN, S, N and ROM) as well as in South Africa and the US.

PC-WARE was granted European Large Account Reseller (ELAR) status for the whole of Europe, the Middle East and Africa (EMEA region) by Microsoft, one of the company's key business associates.

Working with cooperation partners, the company is able to cover markets in North and South America, Asia, Australia and Eastern Europe, in addition to serving global customers.

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PC-WARE cooperates closely with a number of IT specialists, including Microsoft, Adobe, Citrix, Business Objects, VMware, Novell, Symantec, McAfee, Veritas, Computer Associates, Oracle, Attachmate, Borland, Fujitsu-Siemens, IBM/Lotus and Hewlett Packard.

The company has been operating profitably since its inception in 1990. Activities within the area of software licence reselling commenced in 1993. In 1998, the GmbH (limited liability company) became an AG (stock corporation). PC-WARE AG has been listed on the Frankfurt Stock Exchange since 5 May 2000 and joined the Prime Standard in 2003. (WKN: 691 090, ISIN DE0006910904, Reuters Symbol PCWG.DE)

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