

Ad hoc announcement

PC-WARE Q.I 2008/09: Strong organic growth

- Revenue:	EUR 231.0 million	(+41% y.o.y.)
- Gross profit	EUR 33.4 million	(+37% y.o.y.)
- EBITDA:	EUR 4.0 million	(+41% y.o.y.)
- EBIT:	EUR 2.6 million	(+35% y.o.y.)
- EBT:	EUR 2.6 million	(+27% y.o.y.)
- Net profit for the period	EUR 1.8 million	(+22% y.o.y.)

Leipzig, August 26, 2008 - PC-WARE recorded another successful start to the new financial year, propelling first-quarter EBITDA by 41.4% year on year to EUR 4.0 million. At the same time, sales revenue developed extremely well, climbing by 41.2% to EUR 231.0 million. Both figures mark new records for the company and bear testimony to the dynamic rate at which PC-WARE's business has developed since its inception. Furthermore, the latest financial data shows that there was no significant contraction of the market in which the Group operates. Although the current climate is being closely monitored by PC-WARE's management team, the company will not be deterred by the gradual emergence of pessimism within the economic arena.

First-quarter growth was driven by both of the business segments newly created at the beginning of 2008/09, with *Value Business*, which combines the entirety of PC-WARE's service-related business, achieving the most significant gain of 80.0%. This segment's portfolio also includes the full range of mainframe-specific services offered by Comparex, a group acquired in August 2007. The process of integrating Comparex remains on track, and revenue contributed by the system integrator in the first quarter totalled EUR 20.5 million.

The *Volume Business* segment, which encompasses software licensing and hardware reselling, also developed extremely well in the period under review – buoyed in particular by software-related sales –, recording organic growth of 35.5%. Given the general downturn in the hardware market, the Group is particularly pleased with this performance.

In the first quarter, *foreign sales* as a proportion of total revenue rose to 56.7% (Q.I 2007/08: 54.8%). This encouraging performance is attributable to first-quarter revenue contributed by the Comparex Group, which was not part of the consolidated group this time last year, as well as to the significant growth rates achieved by some of PC-WARE's foreign subsidiaries. Within this context, the most impressive gains were made in the Czech Republic (+166.8%), Sweden (+124.1%) and the United Kingdom (+106.0%).

Gross profit for the first quarter grew at a rate comparable to that of revenue, up 37.0% to EUR 33.4 million. Within this context, the gross profit margin declined slightly from 14.9% to 14.5% as a result of the significant pressure generally exerted on margins within the area of volume business, particularly in the hardware sector.

EBITDA was influenced by staff costs (+39.0% to EUR 22.3 million), which rose slightly faster than gross profit due to the recent acquisition. By contrast, other operating expenses (+24.8% to EUR 8.9 million) grew at a less pronounced rate in relation to gross profit. At the same time, PC-WARE recorded foreign-currency gains (EUR 97 thousand) in the first quarter of the current financial year, as opposed to losses in the same period a year ago. On balance, EBITDA thus amounted to EUR 4.0 million, 41.4% up on last year's first-quarter figure.

EBIT rose by 34.6% to EUR 2.6 million in the first quarter, which was slightly less pronounced than growth in EBITDA. This was due to the disproportionately high increase in depreciation and amortisation (+57.5% to EUR 1.3 million). It was attributable mainly to the depreciation and amortisation of fixed and intangible assets (order backlog, customer base and usage rights for the "Comparex" brand) taken over as part of the Comparex acquisition.

Earnings before taxes (EBT) were also affected by the accounting factors outlined above, as well as being influenced to a lesser extent by net interest expense. On balance, EBT rose by 26.8% year on year.

Net profit for the period (after minority interests) amounted to EUR 1.8 million, an increase of 22.4% on the figure posted for the same period a year ago. The Group tax rate was 31.6% for the quarter just ended.

Despite what is generally considered a weaker period of trading during the summer months, the Management Board is confident that business will continue to progress in the months of July, August and September. This is expected to be followed by significant growth impetus in the third quarter, a period of the financial year that is regarded as particularly dynamic due to the seasonality of PC-WARE's business. The Management Board has reaffirmed its forecasts for the financial year as a whole, with the primary target of EBITDA set at EUR 18-20 million and the secondary target of revenue at EUR 830-860 million.

The full quarterly report is available at the company's website www.ir.pc-ware.com ("Reports" section).

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