



PC-Ware Information Technologies AG

Interim Announcement – 1st Quarter of FY 2010/11

1 April to 30 June 2010

- Significant year-on-year increase in results for Q1 2010/11
- Best result in Microsoft business since inception of the company
- Successful completion of seasoned equity offering, with proceeds of €35.9 million
- Forecast for FY 2010/11: visible year-on-year earnings increase in both core business segments
- Principal shareholder "PERUNI"-Holding GmbH submits squeeze-out request

Group Financials – 1st Quarter of FY 2010/11 (unaudited)

m. €	Q1 2010/11	Q1 2009/10	Change
Business Volume	379.9	336.4	12.9%
Revenue	226.5	216.4	4.7%
Gross profit	37.9	30.2	25.7%
EBITDA	4.4	(4.7)	-
EBIT	3.1	(7.3)	-
EBT	2.8	(7.4)	-

	30/06/10	31/03/10	Change
Total assets (m. €)	356.3	298.4	19.4%
Equity ratio (%)	30.5	36.1	(15.3%)
Earnings/(loss) per share (€)	0.13	(0.80)	-

Group Structure

PC-Ware Information Technologies AG ("PC-WARE") is one of the leading vendor-independent ICT service providers in Europe. PC-WARE is ranked as one of Europe's market leaders within its core business field software (software licensing, licence consulting, software and IT asset management). The Company is one of five Microsoft LARs (Large Account Reseller) for the entire EMEA



region (Europe, Middle East and Africa). In addition, PC-WARE offers an extensive consulting, solutions and services portfolio relating to software, ranging from analysis and conceptualisation to implementation, 24/7 MultiVendor Helpdesk and learning services. Among the focal areas are virtualisation, IT security, systems management, communication and collaboration (with unified communications, Microsoft Exchange and Sharepoint solutions) as well as software asset management ("Software" segment). The second core segment operated by the PC-WARE Group is made up of the COMPAREX enterprises as leading vendor-independent specialists within the area of infrastructure, consulting and managed services for data centres. The emphasis of COMPAREX-driven business is on analysis, consulting, design and implementation as well as multivendor support for complex infrastructures ("DataCenter" segment).

Subsidiaries in 26 countries in Europe, Africa and Asia (CN, KZ), employing a team of some 1,700 employees, currently serve a customer base ranging from SMEs, public-sector bodies and industrial companies to large international corporations. In cooperation with business partners, the company is also in the process of capturing new markets in North and South America, Asia and Australia. The company has been quoted on the Frankfurter Stock Exchange since 5 May 2000 and is listed in the General Standard (WKN: 691 090, ISIN DE0006910904 / DE000A0XYL20 / DE000A1EMBK0, Reuters Symbol PCWG.DE).

Review of Current Business and Financial Performance

Revenue increased by 4.7% year on year to €226.5 million in the first quarter. This was attributable mainly to the positive contribution (€13.2 million) from newly established or acquired entities in the DataCenter segment (COMPAREX PC-Ware Deutschland GmbH, PC-Ware Ukraina T.O.V., PC-Ware North Africa SARL as well as Massridge Holdings Ltd., Comparex Belgium S.A./N.V., Comparex Luxembourg S.A. and Data Center Services S.A./N.V.). By contrast, revenue within the Software segment contracted in the period under review (-3.8%), firstly as result of the shift in Microsoft business towards direct Enterprise Agreements (EA, agreements concluded directly between Microsoft and the customer) and secondly due to the discontinuation of two business divisions in Germany. The volume of direct Enterprise Agreements, for which the Company merely recognizes an advisory fee in its sales revenues, rose by 33.9% to €160.6 million. Business volume (sales revenue plus volume of direct Microsoft Enterprise Agreements) amounted to €379.9 million, up from €336.4 million in the same quarter a year ago (+12.9%)



PC-WARE further extended its position as the leading Microsoft Large Account Reseller in Germany calculated on the basis of sales revenue. During the software vendor's last financial year ended 30 June, market leader PC-WARE managed to expand its core volume licensing business associated with Microsoft solutions by 5% year on year.

Gross profit rose faster than revenue, by 25.7% to €37.9 million. Growth within this area was attributable mainly to the rise in revenue generated from sales within the higher margin DataCenter segment. The gross profit margin increased from 13.9% to 16.7%.

The positive direction taken by EBITDA, which rose by €9.1 million to €4.4 million, was driven first and foremost by higher gross profit (+€7.7 million). In parallel, the reduction in staff costs by €0.6 million also contributed to EBITDA growth. The savings associated with restructuring measures implemented in the previous financial year and reflected in the results for the current reporting period were counteracted by staff and other operating expenses attributable to newly established or acquired entities.

Financial Position/Cash Flows

The financial position remained largely unchanged compared with the last annual reporting date (31 March 2010). Only trade receivables and payables were significantly higher. This was due to licence business towards the end of Microsoft's financial year which is generally considered a more buoyant period.

Due to the favourable earnings performance in the quarter under review, the Group saw a further improvement in its financing situation.

Outlook

We hereby confirm our forecast for the 2010/11 financial year, as outlined in our Annual Report for 2009/10. Within this context, having accounted for the realignment of the Company with a focus on the core segments of "Software" and "DataCenter", in combination with strict cost management and continuous process improvement, we anticipate that the earnings performance of both segments will improve markedly.



Events after the Reporting Date

The seasoned equity offering approved by PC-Ware Information Technologies AG on 23 June 2010 has been successfully completed. At the final date of the subscription offer on 13 July 2010 PC-WARE was able to issue all 1,842,936 new shares. The new shares had been offered to shareholders at a subscription price of EUR 19.50 per share in a ratio of 9 to 2. Thus, PC-WARE's gross proceeds from the issuance of new shares were approx. €35.9 million. Upon registration of the seasoned equity offering in the Commercial Register, the share capital of the Company rose from €8,342,335.00 to €10,185,271.00. The new shares are entitled to dividends as from 1 April 2010. Initially, these shares are not approved for trading on the stock exchange. On 29 July 2010, "PERUNI" Holding GmbH, Vienna, Austria, submitted to the Management Board of PC-Ware Information Technologies AG a formal request pursuant to Section 327a (1) of the Stock Corporation Act (Aktengesetz – AktG) for the General Meeting of Shareholders of PC-Ware Information Technologies AG, Leipzig, to pass a resolution whereby the interests held by other shareholders (minority interests) shall be transferred to "PERUNI" Holding GmbH as the principal shareholder in return for an appropriate cash settlement (so-called "squeeze-out"). "PERUNI" Holding GmbH owns – after deducting the treasury shares held by PC-Ware Information Technologies AG – shares that constitute more than 95% of the share capital of PC-Ware Information Technologies AG. Therefore, it is considered to be the principal shareholder under Section 327a (1) AktG. The resolution for the transfer of shares is to be passed at the coming Annual General Meeting of Shareholders, which is scheduled to take place in November 2010.

Forward-looking Statements

This interim announcement contains certain forward-looking statements based on current assumptions and forecasts by the management of the PC-WARE Group. Various known and unknown risks, uncertainties and other factors may result in the Company's actual results, cash flows, business and performance deviating from the expectations or judgements expressed herein.

The Company shall not be obliged to update such forward-looking statements or to revise or adjust them in line with current events or developments.

Leipzig, July 2010
The Management Board



Financial Calendar

- 30/11/10 Publication of the first-half report for FY 2010/11
31/01/11 Publication of the interim announcement Q3 for FY 2010/11

Contact

PC-Ware Information Technologies AG
Blochstraße 1
04329 Leipzig

www.pc-ware.de

Phone: +49 (0)341 25 68-000
Fax +49 (0)341 25 68-999
ir@pc-ware.de