

Ad hoc announcement

PC-Ware AG Q2: Successful Performance Driven by Acquisitions and Organic Growth

- Revenue: EUR 152.3 million (+22% y.o.y.)
- Gross profit: EUR 21.0 million (+28% y.o.y.)
- EBITDA: EUR 1.95 million (+8% y.o.y.)
- EBT: EUR 1.1 million (+177% y.o.y.)
- Net profit for period: EUR 0.7 million (+ EUR 0.7 million y.o.y.)

Leipzig, Nov. 28, 2006 – PC-WARE AG generated revenue growth of 21.8% in the summer quarter, traditionally seen as one of the most challenging seasons of the financial year, thus propelling sales to EUR 152.3 million.

As in the preceding quarters, business performance was driven by all three segments. Within this context, the Software segment registered growth of 24.6%, buoyed in particular by strong demand from abroad and by the fact that this was the first Q2 in which the Scandinavian Ravenholm Group had been included in the consolidated group. At the same time, the Consulting & Services segment grew by 20.5% and the System House segment by 15.7%.

The various regional entities within the Group also performed favourably. Whereas Germany and Italy fell slightly short of the formidable revenue figures posted a year ago, the other enterprises based abroad were all able to achieve substantial sales growth, so much so that foreign sales accounted for 55.4% of total sales revenue (Q2 2005/6: 39.4%). The main contributors to growth were the Czech Republic (+340.7%), the United Kingdom (+186%) and the Benelux region (+56.4%).

Gross profit increased by 28% to EUR 20.9 million, thus outpacing revenue growth. This was attributable on the one hand to the higher proportion of revenue generated through more profitable service and integrated systems business and on the other hand to Microsoft's direct Enterprise Agreements, for which the Company receives a fee rather than recognising the entire transaction as sales revenue. At EUR 16.8 million, the overall volume of these Direct Enterprise Agreements was 11.1% lower than in the second quarter of 2005/6 (EUR 18.9 million). The proportion of higher-margin non-Microsoft products was raised by an encouraging 31.4%.

In conjunction with additional capital expenditure on infrastructure required for future business development, the growth-induced increase in staff costs and higher other operating expense contributed to a slightly underproportional 7.7% increase in EBITDA.

PC-Ware

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Supported by a more stable finance result, EBT rose by 176.8% to EUR 1.12 million.

At EUR 0.68 million, net profit for the period, after minority interests, was significantly higher than the figure posted a year ago.

The dynamic period from October to December is expected to produce a solid progression of business. Taking into consideration the release of new Microsoft products, the Management Board has reaffirmed its revenue forecast of EUR 700 million for the financial year as a whole. EBITDA is expected to reach approx. EUR 15 million.

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

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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.

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 incorporation 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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