

FRAMEWORK CONDITIONS

MACROECONOMIC ENVIRONMENT

According to the initial figures published by Eurostat, the economy in the euro zone grew only slightly in 2008. In the reporting period, the price-adjusted gross domestic product (GDP) in the euro zone amounted to plus 0.7 per cent, compared to plus 2.7 per cent in the prior year. The growth dynamics slowed down sharply in the course of the year. GDP only increased over the prior quarter in the first quarter; in the subsequent quarters, it started to decline, and in the fourth quarter, the economy shrunk by 1.5 per cent. This is the greatest drop since the establishment of the currency area. Nevertheless, investments for equipment fared better over the entire year, boasting an increase of 2.2 per cent.

According to information provided by the Federal Statistical Office, the German economic performance, too, receded considerably. Though the GDP increased by 1.3 per cent in the reporting period, 2007 saw growth of 2.5 per cent. The quarterly performance more or less corresponded to that of the EU. The German economy only managed to grow in the first quarter of 2008. In 2008, growth stimuli were generated exclusively by domestic business. Gross investments in fixed assets accounted for the highest growth rate of 4.4 per cent. Investments in equipment increased above-average by 5.9 per cent, and were thus only slightly below the prior-year value of 6.9 per cent. In 2008, the price-adjusted government expenditure increased by 2.0 per cent, which almost corresponds to the growth rate of the prior year (2.1 per cent). Due to the poor increase in exports, the external contribution to economic growth diminished by 0.3 percentage points.

**Economic performance fell
in the course of the year**

INDUSTRY

According to calculations of the European Information Technology Observatory (EITO) in November 2008, the IT market in the EU grew by 4.2 per cent in 2008. The growth of IT services (5.4 per cent) and software products (5.3 per cent) contributed substantially to this figure. Hardware trading merely increased by 1.5 per cent over the prior year. According to EITO, among the large IT markets in the EU, hardware trading increased by 2.6 to 3.0 per cent in Italy, Spain, and Great Britain. In contrast, this segment shrunk by 0.8 per cent in France. In the Swiss market, which is important for Bechtle, hardware trading also fell by 0.9 per cent.

As the year progressed, the general economic parameters in the German IT industry deteriorated increasingly. This is evident from the trend of the forecasts issued by the industry association BITKOM. While the association's growth expectations for 2008 still amounted to 4.6 per cent in spring and 4.2 per cent in autumn, in December BITKOM corrected its growth forecast to 3.7 per cent (prior year: 5.0 per cent). According to BITKOM, the IT services segment gained 5.7 per cent (prior year: 7.8 per cent), and software 4.2 per cent (prior year: 5.4 per cent). For the IT hardware segment, BITKOM anticipates stagnation (prior year: 0.7 per cent).

Forecasts for IT industry
revised downwards

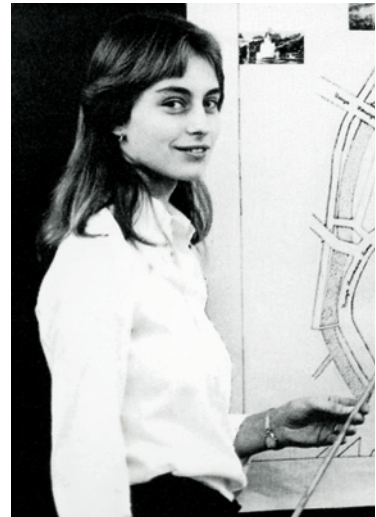
OVERALL ASSESSMENT

In 2008, the macroeconomic situation deteriorated considerably. Bechtle successfully bucked this trend, though the company was also affected by falling demand as the year progressed. The signals from the industry were varied. At Bechtle, the effects of the price pressure in the hardware market with stagnating or partly receding revenues were felt in the form of slackening growth dynamics in the IT e-commerce segment. In contrast, the persistently high growth rates in IT services had a positive effect on the IT system house & managed services segment. In this area, Bechtle did not yet experience any major reductions during the course of the year. In fact, the poor economic situation encouraged many user companies to optimise their IT infrastructure.

Apart from the macroeconomic development and the effects of the crisis in the financial markets, there were no other significant events outside the Bechtle Group in the past fiscal year that had a tangible impact on the business performance.

25 YEARS AGO

**I dreamed of
working in research
and development.**



Today, Ute Zimmermann is account manager and head of the training centre at the Bechtle IT system house in Chemnitz.

“My enthusiasm for technology began very early. This is evident from my training as electrician, which was followed by a degree in equipment and information technology. I was especially intrigued by the progress in microelectronics and micromechanics. Today, I am still fascinated by the breakneck pace of development in the field of IT. But the main aspect that makes the job interesting is the contact with the people who want to push their enterprises ahead with the help of IT. In this context, competent consulting services are becoming increasingly important. I like being a service provider for our customers. Here, development plays a key role – the development of smart solutions and good customer relationships.”

