



Gerhard Schick,
Chairman of the Supervisory Board of Bechtle AG

REPORT OF THE SUPERVISORY BOARD

In the fiscal year 2008, Bechtle AG recorded a positive business performance despite the increasingly difficult market conditions. In the year of its 25th anniversary, the company further expanded its market position and effectively prepared for future challenges by adopting a suitable organisational structure. Profitable growth continues to be the focal point of Bechtle's activities.

In the fiscal year 2008, the Supervisory Board again meticulously performed all duties imposed on it by law and as required by the articles of incorporation. In particular, this included the increased auditing and controlling obligations as specified by the jurisdiction in recent years. We regularly provided the Executive Board with advice concerning the administration of the group and monitored the company's management and development. We were directly involved at an early stage in all decisions of material importance to the company.

The Executive Board regularly, duly, and comprehensively informed the Supervisory Board orally and in writing about the corporate planning and strategy, the business performance, and the group's position as well as the risk situation and the risk and opportunity management.

Apart from the personal contact with individual members of the Supervisory Board, the Executive Board informed the Supervisory Board about the development of incoming orders, revenue, contribution margin, earnings before taxes, and staff development of the group, the segments, and individual subsidiaries on a monthly basis. Moreover, the past quarter and the short to medium-term perspectives were elaborated at quarterly meetings.

Furthermore, the Supervisory Board actively examined the company. At its meetings, the Supervisory Board regularly looked into the business, revenue, and earnings performance of the group and its segments as well as the financial and assets position, the implementation of the strategy, the risk situation, and the staff development.

These independent auditing and monitoring measures by members of the Supervisory Board especially included the periodic review of the income statements of individual subsidiaries, intensive screening for anomalies, and participation in strategy meetings, directors' conferences, and risk management sessions.

Thanks to the timely and detailed information received from the Executive Board and the independent audits, the Supervisory Board was able to comply fully with its monitoring duties. It was not necessary to review accounts and documents as defined in Section 111 (2) of the German Stock Corporation Act (AktG) beyond the scope of the audit of the annual financial statements.

Meetings and Central Issues

In the reporting period, the Supervisory Board held six plenary sessions: on 5 February, 26 March (balance-sheet meeting for the annual financial statements 2007), 17 June, 22 July, 21 October, and 10 December. Extraordinary meetings did not need to be convened. Even between the meetings, the Chairman of the Executive Board informed the Supervisory Board about any projects that were of special importance to the company or that were urgent. When necessary, resolutions were adopted via circular procedure.

All measures and transactions that required the approval of the Supervisory Board were discussed in detail at Supervisory Board and committee meetings. Thus, at its balance-sheet meeting, the Supervisory Board adopted the annual and consolidated financial statements of the prior year, approved the proposal for the appropriation of retained earnings, and released the final version of the business plan for 2008.

In the past fiscal year, the most important subjects discussed included:

- Organisational and structural changes in the group management, especially in the Executive Board,
- Acquisitions, which totalled five,
- The expansion into the Austrian system house market,
- The further development and expansion of the managed services division, and
- The consistent continuation of the multiple-brand strategy in e-commerce.

Committees

The Supervisory Board has formed three committees. The audit committee (until 17 June: balance-sheet and accounting committee) held four meetings on 25 March, 21 July, 20 October, and 12 November. In 2008, it dealt primarily with the quarterly reports, preliminary audits of the annual and consolidated financial statements, and the review of the risk management system. Moreover, transactions subject to approval, such as acquisitions and long-term contracts as well as corporate governance issues were also addressed at the meetings. In the reporting period, the audit committee also examined and approved the resolution of the Executive Board concerning the share buy-back programme. Apart from resolutions adopted at the meetings, the committee also adopted resolutions via circular procedure.

The personnel committee came together at two meetings on 29 May and 28 November. Its activity focused on the changes in the group management and compensation issues.

The chairmanship of the committees underwent the following changes: Until 17 June, the Chairman of the Supervisory Board presided over the audit committee. Since 17 June, Dr. Jochen Wolf has been the chairman. On the same date, Dr. Jochen Wolf handed over the chairmanship of the personnel committee to the Chairman of the Supervisory Board. In this way, the Supervisory Board followed the recommendations of the German Corporate Governance Code. At the plenary sessions, the Supervisory Board was informed in detail about the work of the two committees.

As in previous years, the arbitration committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG) did not need to be convened in 2008.

The Corporate Governance Code also recommends the formation of a nomination committee that is staffed exclusively with shareholder representatives and that proposes suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. The Supervisory Board of Bechtle AG has not formed a nomination committee, as it does not consider such to be necessary in view of the board's current staffing.

Staffing of the Supervisory Board and Executive Board

In 2008, the elections resulted in the following changes in the staffing of the Supervisory Board:

On 17 June 2008, the Annual General Meeting elected the previous Supervisory Board members Kurt Dobitsch, Gerhard Schick, Karin Schick, Klaus Winkler, and Dr. Jochen Wolf and, for the first time, Dr. Walter Jaeger to the Supervisory Board as shareholder representatives with a clear majority. Due to his advanced age, Otto Beilharz did not run for another term of office.

The employee representatives were also newly elected before the Annual General Meeting. Rüdiger Dibbert and Dr. Rudolf Luz did not run for office. Accordingly, they departed from the Supervisory Board as of 17 June 2008. The following persons were elected, thereby joining the Supervisory Board from 17 June 2008: Udo Bettenhausen, Uli Drautz, Daniela Eberle, Jürgen Ergenzinger, Sonja Glaser-Reuss, and Barbara Greyer.

At its constituting meeting on 17 June 2008, the Supervisory Board confirmed Gerhard Schick as the Chairman of the Supervisory Board. Uli Drautz was re-elected as Vice-Chairman of the Supervisory Board, and Dr. Jochen Wolf as the second Vice-Chairman.

We have thanked the departed Supervisory Board members for their constructive and qualified contributions and the close and trusting collaboration.

After the end of the reporting period, the following changes took effect in the Executive Board as of 1 January 2009:

At his own request, Ralf Klenk waived an extension of his contract and departed from Bechtle's Executive Board as of 31 December 2008. In the coming months, he will coach the transit to the new Executive Board, after which he will turn his attention to private projects, especially in the social field. We have expressed our sincere gratitude to Ralf Klenk for his excellent work since the establishment of the company in 1983. The evolution from a one-man company to today's group that is active across Europe is a remarkable development for which Ralf Klenk is largely responsible – an achievement that merits great respect.

As of 1 January 2009, former CFO Dr. Thomas Olemotz serves as Spokesman of the Executive Board. He is responsible for finance & controlling, investor relations, IT, logistics and service, human resources, legal and corporate communication. Of the two new Executive Board members, Michael Guschlbauer is responsible for IT system house & managed services, and Jürgen Schäfer for IT e-commerce.

The two new members of the group's Executive Board have been appointed for a term of three years. At the same time, the contract with Dr. Thomas Olemotz has been prematurely extended by five years.

Corporate Governance and Declaration of Conformity

The Supervisory Board intensively reviewed the rules of the Corporate Governance Code. One of the main subjects concerned the amendments in the version of 6 June 2008. To ensure compliance with the German Corporate Governance Code, the Supervisory Board has checked the implementation of the recommendations. In February 2009, the Supervisory Board and the Executive Board renewed the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG). Deviations from the recommendations of the Government Commission are explained in detail in the Corporate Governance Report. The Declaration of Conformity can be accessed permanently at Bechtle's Web site.

Audit of the Annual and Consolidated Financial Statements 2008

The Annual General Meeting designated Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Heilbronn, Germany, as auditors of the annual and consolidated financial statements for the fiscal year 2008. Following the placement of the order by the Supervisory Board, the auditor audited the annual financial statements of Bechtle AG, the consolidated financial statements, and the management report for Bechtle AG and for the Bechtle Group for the fiscal year 2008 including the accounts and the risk management and early detection system and awarded unqualified auditor's certificates. The consolidated financial statements of Bechtle AG have been prepared according to IFRS. The auditor has confirmed that these consolidated financial statements fulfil the conditions for exemption from the preparation of financial statements according to German law. The audit also included the monitoring system for early identification of risks, which is to be set up by the Executive Board. The auditor has confirmed that the installed system serves its purpose.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of retained earnings, and the auditor's audit reports were duly sent to the members of the Executive Board and discussed in detail in the audit committee and in the board as a whole. The auditor also participated in the balance-sheet meeting on 17 March 2009 and reported in detail about the main focus and key results of his audit. He also provided additional information and answered questions.

After its own audit of the annual financial statements, the consolidated financial statements, the management report, and the group management report, the Supervisory Board agreed with the result of the auditor's audit and approved the annual financial statements and the consolidated financial statements according to the recommendations of the audit committee at the balance-sheet meeting on 17 March 2009. Thus, the annual financial statements of Bechtle AG for the fiscal year 2008 have been adopted pursuant to Section 172 of the German Stock Corporation Act (AktG).

Following its own audit, the Supervisory Board agrees to the proposal of the Executive Board for the appropriation of retained earnings. The Supervisory Board is in agreement with the management report and the group management report of the Executive Board and considers the proposal for the appropriation of retained earnings to be appropriate.

The Supervisory Board is convinced that Bechtle AG is well prepared for the future. By separating the operational level from the strategic level, which is reflected in the new composition of the Executive Board, the company has established a structure that is capable of accommodating the increased size and future challenges. In view of the company's stability and solidity, the Supervisory Board believes that the company has good growth perspectives.

The Supervisory Board would like to express its thanks and appreciation to the Executive Board, the directors of the group companies, and all employees for their work and outstanding commitment. In the past fiscal year, their diligent efforts yielded an excellent result.

On behalf of the Supervisory Board,



Gerhard Schick
Chairman

Neckarsulm, 17 March 2009

25 YEARS AGO

I dreamed of
driving fast cars.



Today, Martin Schneider is product manager for IBM.

"I've always been fascinated with technology. As a child, I was especially fond of cars. The fast ones. My job also has plenty to do with technology and speed, though in a slightly different way. Naturally, my motivation is stimulated by IBM's image and market significance. Being in the lead in technological development and quick development cycles is catching. What also motivates me is the responsibility of achieving substantial revenue growth with my vendor partner. The potential is there, and I want to do my part to exploit it for our benefit."

