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**PAR TECHNOLOGY CORPORATION**

**-REPORTS SECOND QUARTER RESULTS-**

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NEW HARTFORD, NY, PAR TECHNOLOGY CORPORATION (NYSE:PTC)

New Hartford, NY--July 26, 2007--PAR Technology Corporation (NYSE:PTC - [News](#)) today announced results for the second quarter ended June 30, 2007.

PAR reported second quarter revenues of \$49.9 million, a 6% decrease from the \$53.3 million reported in the same period a year ago. A net loss of \$1 million was reported for the second quarter 2007, compared with net income of \$2.3 million in the second quarter of 2006. Diluted loss per share was \$0.07 for the second quarter of 2007, compared to diluted earnings per share of \$0.16 for the second quarter of last year.

For the six months ended June 30, 2007, PAR Technology Corporation reported revenues of \$97.7 million, an 8% decrease from the \$106 million reported one year ago. The Company also reported a net loss of \$2.3 million for the first six months of 2007 versus net income of \$4.3 million reported for the first six months of 2006. Diluted loss per share was \$0.16 for the first six months of 2007 compared to diluted earnings per share of \$0.29 reported for the first six months of 2006.

John W. Sammon, PAR Chairman & CEO commented, "In the second quarter we continue to experience lower revenues due to ongoing software delays, both internal and by third parties. However, long-term, we are confident in our business and believe we will return to profitability when these software issues are resolved. During this time we will continue our corporate investment strategy to improve the Company's operating performance going forward as we invest in our business to expand future opportunities."

Sammon continued, "We believe these strategic investments will produce value for shareholders that will outweigh the short-term impact on our results. Our three-pronged investment plan of new hospitality software, international markets and expanding our distribution channels will allow PAR to be competitive as a market leader in hospitality technology for the foreseeable future and deliver the positive results our shareholders are expecting. "

Certain Company information in this release or by its spokespersons from time to time may contain forward-looking statements. Any statements in this document that do not describe historical facts are forward-looking statements. Forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainties, including without limitation, delays in new product introduction, risks in technology development and

commercialization, risks in product development and market acceptance of and demand for the Company's products, risks of downturns in economic conditions generally, and in the quick service sector of the restaurant market specifically, risks of intellectual property rights associated with competition and competitive pricing pressures, risks associated with foreign sales and high customer concentration, and other risks detailed in the Company's filings with the Securities and Exchange Commission.

## **ABOUT PAR TECHNOLOGY**

PAR Technology Corporation is a leading provider of professional services and enterprise business intelligence software and hardware to the hospitality industry. PAR develops, markets and supports hardware and software products that improve the ability of hospitality business professionals to make timely, fact-based business decisions. The Company is a premier provider of I/T management solutions to hotel and restaurant companies, with over 45,000 installations worldwide in over 100 countries. PAR is a leader in providing computer-based system design and engineering services to the Department of Defense and Federal Government Agencies. PAR Technology Corporation's stock is traded on the New York Stock Exchange under the symbol PTC. For more information visit the Company's website at [www.partech.com](http://www.partech.com).

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**PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share amounts)  
(Unaudited)

	<u>June 30,</u> <u>2007</u>	<u>December 31,</u> <u>2006</u>
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,320	\$ 4,273
Accounts receivable-net	39,567	46,791
Inventories-net	38,012	35,948
Income tax refunds	357	1,103
Deferred income taxes	6,295	5,139
Other current assets	2,874	2,737
Total current assets	<u>90,425</u>	<u>95,991</u>
Property, plant and equipment - net	7,277	7,535
Goodwill	26,339	25,734
Intangible assets - net	10,508	10,695
Other assets	3,370	2,841
	<u>\$ 137,919</u>	<u>\$ 142,796</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 542	\$ 240
Borrowings under lines of credit	6,043	7,713
Accounts payable	9,923	12,470
Accrued salaries and benefits	7,978	8,279
Accrued expenses	2,009	1,861
Customer deposits	3,969	3,656
Deferred service revenue	12,342	12,254
Total current liabilities	<u>42,806</u>	<u>46,473</u>
Long-term debt	<u>7,357</u>	<u>7,708</u>
Deferred income taxes	<u>499</u>	<u>653</u>
Other long-term liabilities	<u>2,594</u>	<u>1,879</u>
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	-	-
Common stock, \$.02 par value, 29,000,000 shares authorized; 16,017,285 and 15,980,486 shares issued; 14,364,530 and 14,327,731 outstanding	320	320
Capital in excess of par value	38,982	38,602
Retained earnings	50,830	53,159
Accumulated other comprehensive income (loss)	40	(489)
Treasury stock, at cost, 1,652,755 shares	(5,509)	(5,509)
Total shareholders' equity	<u>84,663</u>	<u>86,083</u>
	<u>\$ 137,919</u>	<u>\$ 142,796</u>

**PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(in thousands, except per share amounts)

(unaudited)

	For the three months ended June 30,		For the six months ended June 30,	
	2007	2006	2007	2006
Net revenues:				
Product	\$ 18,320	\$ 22,710	\$ 35,026	\$ 45,730
Service	16,100	14,886	31,629	28,631
Contract	15,452	15,747	31,053	31,579
	49,872	53,343	97,708	105,940
Costs of sales:				
Product	10,699	13,074	21,007	25,872
Service	11,886	10,840	24,052	21,550
Contract	14,652	14,518	29,206	29,244
	37,237	38,432	74,265	76,666
Gross margin	12,635	14,911	23,443	29,274
Operating expenses:				
Selling, general and administrative	9,186	8,194	17,895	16,269
Research and development	4,387	2,836	8,201	5,735
Amortization of identifiable intangible assets	394	308	784	615
	13,967	11,338	26,880	22,619
Operating income (loss)	(1,332)	3,573	(3,437)	6,655
Other income, net	154	218	394	375
Interest expense	(237)	(167)	(459)	(252)
Income (loss) before provision for income taxes	(1,415)	3,624	(3,502)	6,778
Benefit (provision) for income taxes	394	(1,286)	1,173	(2,428)
Net income (loss)	\$ (1,021)	\$ 2,338	\$ (2,329)	\$ 4,350
Earnings (loss) per share				
Basic	\$ (.07)	\$ .16	\$ (.16)	\$ .31
Diluted	\$ (.07)	\$ .16	\$ (.16)	\$ .29
Weighted average shares outstanding				
Basic	14,345	14,173	14,333	14,162
Diluted	14,345	14,776	14,333	14,802