

RELEASE: NEW HARTFORD, NY, July 28, 2008
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PAR TECHNOLOGY CORPORATION
-REPORTS SECOND QUARTER RESULTS-

-- Revenues grow 15% to record \$57.2 million

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

New Hartford, NY--July 28, 2008--PAR Technology Corporation (NYSE:[PTC](#) - [News](#)) today announced results for the second quarter ended June 30, 2008.

PAR reported record second quarter revenues of \$57.2 million, a 15% increase from the \$49.9 million reported in the same period a year ago. Net income of \$674,000 was reported for the second quarter 2008, compared with a net loss of \$1 million in the second quarter of 2007. Diluted earnings per share were \$0.05 for the second quarter of 2008, compared to a diluted loss per share of \$0.07 for the second quarter of last year.

For the six months ended June 30, 2008, PAR Technology Corporation reported revenues of \$109.3 million, a 12% increase from the \$97.7 million reported one year ago. The Company reported a net loss of \$71,000 for the first six months of 2008 versus a net loss of \$2.3 million reported for the first six months of 2007, that resulted in (\$0.00) per diluted share in 2008 and \$0.16 loss per diluted share over the same period in 2007.

John W. Sammon, PAR Chairman & CEO commented, "Despite challenging economic conditions, we achieved record top line results and modest profitability during the second quarter as our long-term growth drivers began to yield positive results. Our performance during the quarter reflects the continued resiliency and strength of our market segments including QSR restaurants, high end hotels/spas and government customers against the backdrop of a difficult consumer environment. Our government business continues to perform well and we anticipate a favorable trend in all of our business segments going forward."

Sammon continued, "Our turnaround financial performance is testament to the commitment of our employees and is further evidence of the importance of integrated solutions in the hospitality marketplace. We believe we have set the infrastructure in place to allow for continued success in the long term. Our level of confidence in achieving our expectations for the year has increased as we continue to grow revenues from our expanded hospitality customer base and strong trends in our government contracting business."

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 creates and markets products that help hospitality operators around the world to better manage money, materials, people and the guest experience. PAR has provided hardware, software and services to the world's largest restaurant chains and their franchisees for almost 30 years. Today the Company's extensive offering includes technology solutions for the full spectrum of hospitality operations, from boutique hotels and independent table service restaurants to international QSR chains, all backed by PAR's global service network. The Company has over 45,000 installations in 105 countries worldwide. PAR is also 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.

PAR TECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)
(unaudited)

	June 30, <u>2008</u>	December 31, <u>2007</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,357	\$ 4,431
Accounts receivable-net	45,568	43,608
Inventories-net	40,808	40,319
Income tax refunds	1,352	521
Deferred income taxes	5,039	5,630
Other current assets	<u>3,454</u>	<u>3,370</u>
Total current assets	99,578	97,879
Property, plant and equipment - net	7,401	7,669
Deferred income taxes	443	503
Goodwill	26,798	26,998
Intangible assets - net	9,263	9,899
Other assets	<u>1,978</u>	<u>3,570</u>
Total Assets	\$ <u>145,461</u>	\$ <u>146,518</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 917	\$ 772
Borrowings under lines of credit	7,862	2,500
Accounts payable	11,746	16,978
Accrued salaries and benefits	9,286	9,919
Accrued expenses	3,241	3,860
Customer deposits	4,089	3,898
Deferred service revenue	<u>14,260</u>	<u>14,357</u>
Total current liabilities	<u>51,401</u>	<u>52,284</u>
Long-term debt	<u>6,430</u>	<u>6,932</u>
Other long-term liabilities	<u>2,319</u>	<u>2,315</u>
Shareholders' Equity:		
Preferred stock, \$.02 par value, 1,000,000 shares authorized	-	-
Common stock, \$.02 par value, 29,000,000 shares authorized; 16,098,818 and 16,047,818 shares issued; 14,446,063 and 14,395,063 outstanding	322	321
Capital in excess of par value	39,610	39,252
Retained earnings	50,380	50,451
Accumulated other comprehensive income	508	472
Treasury stock, at cost, 1,652,755 shares	<u>(5,509)</u>	<u>(5,509)</u>
Total shareholders' equity	<u>85,311</u>	<u>84,987</u>
Total Liabilities and Shareholders' Equity	\$ <u>145,461</u>	\$ <u>146,518</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,	
	2008	2007	2008	2007
Net revenues:				
Product	\$ 20,751	\$ 18,320	\$ 37,648	\$ 35,026
Service	17,729	16,100	34,144	31,629
Contract	18,754	15,452	37,549	31,053
	<u>57,234</u>	<u>49,872</u>	<u>109,341</u>	<u>97,708</u>
Costs of sales:				
Product	12,612	10,699	22,037	21,007
Service	12,877	11,886	25,360	24,052
Contract	17,713	14,652	35,553	29,206
	<u>43,202</u>	<u>37,237</u>	<u>82,950</u>	<u>74,265</u>
Gross margin	<u>14,032</u>	<u>12,635</u>	<u>26,391</u>	<u>23,443</u>
Operating expenses:				
Selling, general and administrative	8,742	9,186	17,803	17,895
Research and development	3,890	4,387	8,011	8,201
Amortization of identifiable intangible assets	389	394	779	784
	<u>13,021</u>	<u>13,967</u>	<u>26,593</u>	<u>26,880</u>
Operating income (loss)	1,011	(1,332)	(202)	(3,437)
Other income, net	229	154	543	394
Interest expense	(121)	(237)	(470)	(459)
Income (loss) before provision for income taxes	1,119	(1,415)	(129)	(3,502)
(Provision) benefit for income taxes	(445)	394	58	1,173
Net income (loss)	<u>\$ 674</u>	<u>\$ (1,021)</u>	<u>\$ (71)</u>	<u>\$ (2,329)</u>
Earnings (loss) per share				
Basic	\$.05	\$ (.07)	\$ (.00)	\$ (.16)
Diluted	\$.05	\$ (.07)	\$ (.00)	\$ (.16)
Weighted average shares outstanding				
Basic	<u>14,394</u>	<u>14,348</u>	<u>14,386</u>	<u>14,334</u>
Diluted	<u>14,798</u>	<u>14,348</u>	<u>14,386</u>	<u>14,334</u>