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PAR TECHNOLOGY CORPORATION REPORTS THIRD QUARTER RESULTS

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

New Hartford, NY- October 23, 2007 PAR Technology Corporation (NYSE: PTC), a provider of integrated hardware, software and service solutions to the restaurant, hotel/resort, hospitality industries and information-technology services to the United States Government, today reported third quarter financial results.

For the third quarter ended September 30, 2007, PAR Technology Corporation reported revenues of \$51.6 million compared to \$48.5 million in the third quarter 2006, an increase of 6.3%. A net loss was reported of \$862,000, down from the \$550,000 earned in the third quarter one year ago. The Company reported diluted loss per share of \$0.06 for this past quarter, compared to the diluted earnings per share of \$0.04 reported for the same period a year earlier.

For the nine months ended September 30, 2007, PAR Technology Corporation reported revenues of \$149.3 million, a 3.4% decrease when compared to the \$154.5 million reported one year ago. The Company also reported a net loss of \$3.2 million in the first nine months of 2007 versus net income of \$4.9 million for the first nine months of 2006. Diluted loss per share for the first nine months of 2007 was reported at \$0.22, compared to diluted net income per share of \$0.33 reported for the same period in 2006.

John W. Sammon, Chairman and CEO of PAR Technology commented, "Generally speaking, the Q3 numbers were within expectations. We continued to make solid strategic progress this quarter in our ongoing internal investment strategy. This strategy requires effort and resources but when completed will result in a stronger company that is more prepared to compete on a global basis in our industry." Sammon went on to say, "While not satisfied with our third quarter results we have returned to growing revenues which highlights the resilience of our franchise in hospitality technology. With a broad array of technology products designed for the hospitality industry, we believe PAR is positioned to capitalize on evolving market demand. Our focus remains on the design and delivery of innovative products, the addition of channel partners, and producing global operational excellence."

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 develops, markets and supports hardware and software products that improve the ability of restaurant, hotel/resort and retail business professionals to make timely, fact-based business decisions. The Company is the world's largest supplier of Point-of-Sale systems to the quick service restaurant market with over 45,000 systems installed in over 105 countries. In addition 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 additional information visit PAR's website at www.partech.com.

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

	September 30, <u>2007</u>	December 31, <u>2006</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,506	\$ 4,273
Accounts receivable-net	39,398	46,791
Inventories-net	38,282	35,948
Income tax refunds	983	1,103
Deferred income taxes	6,355	5,139
Other current assets	3,328	2,737
Total current assets	<u>92,852</u>	<u>95,991</u>
Property, plant and equipment - net	7,215	7,535
Goodwill	26,767	25,734
Intangible assets - net	10,163	10,695
Other assets	3,526	2,841
	<u>\$ 140,523</u>	<u>\$ 142,796</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$ 694	\$ 240
Borrowings under lines of credit	5,421	7,713
Accounts payable	11,463	12,470
Accrued salaries and benefits	7,820	8,279
Accrued expenses	2,791	1,861
Customer deposits	4,589	3,656
Deferred service revenue	12,413	12,254
Total current liabilities	<u>45,191</u>	<u>46,473</u>
Long-term debt	<u>7,182</u>	<u>7,708</u>
Deferred income taxes	<u>1,080</u>	<u>653</u>
Other long-term liabilities	<u>2,878</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; 16,031,035 and 15,980,486 shares issued; 14,378,280 and 14,327,731 outstanding	321	320
Capital in excess of par value	39,048	38,602
Retained earnings	49,968	53,159
Accumulated other comprehensive income (loss)	364	(489)
Treasury stock, at cost, 1,652,755 shares	(5,509)	(5,509)
Total shareholders' equity	<u>84,192</u>	<u>86,083</u>
	<u>\$ 140,523</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 September 30,		For the nine months ended September 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net revenues:				
Product	\$ 18,066	\$ 17,975	\$ 53,092	\$ 63,705
Service	17,006	15,092	48,635	43,723
Contract	16,505	15,467	47,558	47,046
	<u>51,577</u>	<u>48,534</u>	<u>149,285</u>	<u>154,474</u>
Costs of sales:				
Product	10,681	10,370	31,688	36,242
Service	13,238	11,387	37,290	32,937
Contract	15,256	14,600	44,462	43,844
	<u>39,175</u>	<u>36,357</u>	<u>113,440</u>	<u>113,023</u>
Gross margin	<u>12,402</u>	<u>12,177</u>	<u>35,845</u>	<u>41,451</u>
Operating expenses:				
Selling, general and administrative	8,581	8,241	26,476	24,510
Research and development	4,562	2,613	12,763	8,348
Amortization of identifiable intangible assets	397	307	1,181	922
	<u>13,540</u>	<u>11,161</u>	<u>40,420</u>	<u>33,780</u>
Operating income (loss)	(1,138)	1,016	(4,575)	7,671
Other income, net	350	62	744	437
Interest expense	(310)	(206)	(769)	(458)
Income (loss) before provision for income taxes	(1,098)	872	(4,600)	7,650
Benefit (provision) for income taxes	236	(322)	1,409	(2,750)
Net income (loss)	<u>\$ (862)</u>	<u>\$ 550</u>	<u>\$ (3,191)</u>	<u>\$ 4,900</u>
Earnings (loss) per share				
Basic	\$ (.06)	\$.04	\$ (.22)	\$.35
Diluted	\$ (.06)	\$.04	\$ (.22)	\$.33
Weighted average shares outstanding				
Basic	<u>14,351</u>	<u>14,181</u>	<u>14,340</u>	<u>14,168</u>
Diluted	<u>14,351</u>	<u>14,646</u>	<u>14,340</u>	<u>14,751</u>