

**FOR RELEASE:** NEW HARTFORD, NY, October 27, 2008  
**CONTACT:** Christopher R. Byrnes (315) 738-0600 ext. 226  
cbyrnes@partech.com, [www.partech.com](http://www.partech.com)

## **PAR TECHNOLOGY CORPORATION REPORTS THIRD QUARTER RESULTS**

- Revenues of \$58 million, a 12.4% increase over the third quarter 2007
  - Earnings per diluted share (EPS) of \$0.06 vs. a \$0.06 loss per diluted share for Q3 2007
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### **NEW HARTFORD, NY, PAR TECHNOLOGY CORPORATION (NYSE:PTC)**

New Hartford, NY- October 27, 2008 PAR Technology Corporation (NYSE: PTC), a provider of integrated hardware, software and service solutions to the restaurant, hotel/resort, and hospitality industries along with information-technology services to the United States Government, today reported third quarter financial results.

For the third quarter ended September 30, 2008, PAR Technology Corporation reported revenues of \$58 million compared to \$51.6 million in the third quarter 2007, an increase of 12.4%. Net income of \$828,000 was reported for the period compared to a net loss of \$862,000 in the third quarter last year. The Company reported diluted earnings per share of \$0.06 for this past quarter, compared to the diluted loss per share of \$0.06 reported for the same period a year earlier.

For the nine months ended September 30, 2008, PAR Technology Corporation reported revenues of \$167.3 million, a 12.1% increase when compared to the \$149.3 million reported one year ago. The Company also reported net income of \$757,000 in the first nine months of 2008 versus a net loss of \$3.2 million for the first nine months of 2007. Diluted earnings per share for the first nine months of 2008 was reported at \$0.05, compared to diluted loss per share of \$0.22 reported for the same period in 2007.

“Overall, our businesses performed well in the third quarter as we navigated through uncertain economic environments. Revenues were driven by strong sales to our global quick serve restaurant accounts as well as to our hotel and spa customers. Our government revenues were up year over year due to new wins in the IT outsourcing sector,” said John W. Sammon, Chairman and CEO of PAR Technology. “Our performance during difficult economic circumstances reflects the relevance of the business lines we have chosen to be in and the geographic priorities we have set. We will continue to monitor economic conditions for the foreseeable future but will not alter our concentration on PAR’s longer-term growth initiatives of expanding our global reach, increasing revenue growth in the channel space and creating innovative software and technology products.”

## **EARNINGS CONFERENCE CALL**

PAR Technology Chairman and CEO John W. Sammon and Chief Financial Officer Ronald J. Casciano will discuss the Company's recent performance on a two-way conference call with investors at 10:00 a.m. Eastern today. Information for participating on that call can be found on the Company's website at [www.partech.com](http://www.partech.com).

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 50,000 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](http://www.partech.com).

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

	September 30, <u>2008</u>	December 31, <u>2007</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 2,892	\$ 4,431
Accounts receivable-net	46,865	43,608
Inventories-net	42,638	40,319
Income tax refunds	1,065	521
Deferred income taxes	5,298	5,630
Other current assets	3,892	3,370
Total current assets	<u>102,650</u>	<u>97,879</u>
Property, plant and equipment - net	7,169	7,669
Deferred income taxes	746	503
Goodwill	26,618	26,998
Intangible assets - net	8,840	9,899
Other assets	1,846	3,570
<b>Total Assets</b>	<b>\$ <u>147,869</u></b>	<b>\$ <u>146,518</u></b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 1,110	\$ 772
Borrowings under lines of credit	7,541	2,500
Accounts payable	14,448	16,978
Accrued salaries and benefits	8,942	9,919
Accrued expenses	4,073	3,860
Customer deposits	3,779	3,898
Deferred service revenue	13,825	14,357
Total current liabilities	<u>53,718</u>	<u>52,284</u>
Long-term debt	<u>6,179</u>	<u>6,932</u>
Other long-term liabilities	<u>2,167</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; 16,186,718 and 16,047,818 shares issued; 14,533,963 and 14,395,063 outstanding	324	321
Capital in excess of par value	40,055	39,252
Retained earnings	51,208	50,451
Accumulated other comprehensive (loss) income	(273)	472
Treasury stock, at cost, 1,652,755 shares	(5,509)	(5,509)
Total shareholders' equity	<u>85,805</u>	<u>84,987</u>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ <u>147,869</u></b>	<b>\$ <u>146,518</u></b>

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,	
	2008	2007	2008	2007
Net revenues:				
Product	\$ 20,918	\$ 18,066	\$ 58,566	\$ 53,092
Service	19,155	17,006	53,299	48,635
Contract	17,894	16,505	55,443	47,558
	<u>57,967</u>	<u>51,577</u>	<u>167,308</u>	<u>149,285</u>
Costs of sales:				
Product	12,016	10,681	34,053	31,688
Service	14,466	13,238	39,826	37,290
Contract	16,924	15,256	52,477	44,462
	<u>43,406</u>	<u>39,175</u>	<u>126,356</u>	<u>113,440</u>
Gross margin	<u>14,561</u>	<u>12,402</u>	<u>40,952</u>	<u>35,845</u>
Operating expenses:				
Selling, general and administrative	9,121	8,581	26,924	26,476
Research and development	3,560	4,562	11,571	12,763
Amortization of identifiable intangible assets	388	397	1,167	1,181
	<u>13,069</u>	<u>13,540</u>	<u>39,662</u>	<u>40,420</u>
Operating income (loss)	1,492	(1,138)	1,290	(4,575)
Other income, net	216	350	759	744
Interest expense	(275)	(310)	(745)	(769)
Income (loss) before provision for income taxes	1,433	(1,098)	1,304	(4,600)
(Provision) benefit for income taxes	(605)	236	(547)	1,409
Net income (loss)	<u>\$ 828</u>	<u>\$ (862)</u>	<u>\$ 757</u>	<u>\$ (3,191)</u>
Earnings (loss) per share				
Basic	\$ .06	\$ (.06)	\$ .05	\$ (.22)
Diluted	\$ .06	\$ (.06)	\$ .05	\$ (.22)
Weighted average shares outstanding				
Basic	<u>14,440</u>	<u>14,351</u>	<u>14,404</u>	<u>14,340</u>
Diluted	<u>14,823</u>	<u>14,351</u>	<u>14,787</u>	<u>14,340</u>