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Hartco Announces 2011 Third Quarter Results

Montreal, Quebec, November 10, 2011 – Hartco Inc. (TSX: HCI) today announced financial results for the third quarter and the nine-month period ended September 30, 2011. Hartco posted consolidated revenues of \$99.3 million and net earnings of \$2.0 million, or \$0.14 per share on a diluted basis for the third quarter, compared to revenues of \$111.5 million and net earnings of \$0.4 million, or \$0.03 per share on a diluted basis, for the corresponding quarter in 2010.

Third quarter revenues decreased by \$12.2 million compared to the same period last year. Product revenues were lower by 15%, while service revenues increased by close to 6%. Consolidated EBITDA increased to \$2.9 million for the quarter ended September 30, 2011 from \$1.1 million for the same quarter in 2010.

“We experienced encouraging profitability trends during the third quarter of 2011 as a result of a richer offering mix and cost improvement initiatives” said Pat Waid, Hartco’s President and Chief Operating Officer. “Strong growth in the enterprise systems and services segments will help position the company favourably in relation to emerging cloud computing trends”.

Consolidated results for the nine-month period ended September 30, 2011

For the nine-month period ended September 30, 2011, net earnings amounted to \$3.2 million, or \$0.23 per share on a diluted basis, on consolidated revenues of \$330.1 million, compared to net earnings of \$3.0 million, or \$0.22 per share on a diluted basis, on consolidated revenues of \$346.7 million for the same period last year. Consolidated EBITDA was \$4.4 million for the nine-month period ended September 30, 2011 compared to \$6.8 million for the corresponding nine-month period in 2010.

Financial Position

Effective management of our working capital enabled Hartco to end the third quarter of 2011 with a cash position of \$15.4 million and no debt. Hartco’s strategy is to preserve cash to invest in future growth and productivity improvements.

Hartco Outlook

“Although we anticipate challenging economic and business conditions, we expect to build positive momentum across most regions of Canada throughout the remainder of the year.” said Pat Waid. “Our strong financial position and comprehensive offering portfolio will provide an opportunity for us to meet the needs of a growing number of customers who are pursuing IT solutions to help improve their business performance.”

Detailed Financial Information

Detailed financial information pertaining to Hartco’s third quarter and the first nine months can be accessed at www.sedar.com. The third quarter and nine-month interim financial statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”).

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About Hartco Inc.

Hartco Inc. (TSX: HCI) has been a leader in the Canadian information technology business for more than thirty years. Through its operating divisions, which together include 50 locations across Canada, Hartco Inc. delivers information technology solutions to private and public sector organizations of every size. For more information, please visit www.hartco.com.

Forward-Looking Statements

This news release contains forward-looking information. Except for historical information contained herein, the statements in this document are forward-looking. Forward-looking statements involve known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from forecasted results. Those risks include, among others, changes in customer demand for information technology products or services, changes in supplier pricing actions or terms, customer orders, pricing actions by competitors, changes in laws and regulations and general changes in economic conditions. Risks that could cause our results to differ materially from our expectations are discussed in our Annual Management's Discussion & Analysis.

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FINANCIAL HIGHLIGHTS

(In thousands of dollars, except per share amounts)

	Quarter ended September 30		Nine-month period ended September 30	
	2011	2010	2011	2010
	\$	\$	\$	\$
Revenues	99,315	111,524	330,124	346,702
EBITDA ⁽¹⁾	2,938	1,138	4,437	6,836
Net earnings	2,000	437	3,240	3,031
Diluted Earnings per share	0.14	0.03	0.23	0.22
Standardized Free Cash Flow (deficiency) ⁽²⁾	11,789	2,669	(4,001)	3,825
Adjusted Free Cash Flow (deficiency) ⁽³⁾	6,039	2,036	(8,621)	4,183
Cash position	15,363	25,370	15,363	25,370

- 1) Earnings before net financial costs, income tax expense, depreciation and amortization and share of results of equity investments. EBITDA is a non-IFRS measure as defined in the MD&A.
- 2) Cash flow from continuing and discontinued operating activities less capital expenditures. Standardized Free Cash Flow is a non-IFRS measure as defined in the MD&A.
- 3) Cash flow from continuing and discontinued operating activities, less capital expenditures, net of proceeds from disposal of assets, plus net investing activities, plus net collection of loans and other assets. Adjusted Free Cash Flow is a non-IFRS measure as defined in the MD&A.

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