

**BIG ENOUGH
TO COMPETE –
SMALL ENOUGH
TO CARE.**

**REPORT 1st QUARTER
2017/2018**

Report 1st Quarter BY 2017/2018

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Management Report
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Group Management Report 1st Quarter BY 2017/2018:

01.07.-30.09.2017

During first quarter of BY 2017/18, a small increase is reported by a turnover of 19.6 million EUR compared to previous year of 18.4 million EUR. Turnover in the segment of data visualization increased from 11.4 million EUR to 12.9 million EUR compared to previous year, whereas turnover in the segment power supplies slightly decreased from 7.0 million EUR to 6.5 million EUR, which among others is based on a minor economic slow-down of the niche market railway.

Due to positive impulses during first quarter and the tailwind of the strong second business half year 2016/17, an EBIT of 1.7 million EUR was achieved. Thus, the EBIT margin of previous quarter could be topped from 5.7% to 8.7%, which was especially due to the segment data visualization as well as the subsidiary in the U.S.A. which could provide projects of special quality growth during these last months. Therefore, the FORTEC group generated a period net income of 1.2 million EUR during this first quarter.

In spite of the summer months, the order backlog of approx. 36 million EUR was constant and is expected to get another kick during second quarter.

Due to the fact that during report period the EUR has become stronger again towards the dollar, liabilities due to currency exchange differences of 334 TEUR are to be reported upon preparation of the total result. These are current exchange rate amounts of foreign participations especially in the U.S.A. After three months, a total result of 858 TEUR can be reported; the result per share amounts to 0.40 EUR.

The new management board appreciates this successful quarterly result and estimates a similar positive development during ongoing quarter. FORTEC continues to be on its road to success.

Consolidated Balance Sheet per 30.09.2017 according to IAS/IFRS

ASSETS in Euro	30.09.2017	30.06.2017	EQUITY/LIABILITIES in Euro	30.09.2017	30.06.2017
A. Non-current assets	8.415.671	8.041.964	B. Company capital	28.877.859	28.019.646
I. Goodwill	5.114.029	5.224.921	I. Subscribed capital	2.954.943	2.954.943
II. Intangible assets	268.173	254.094	II. Capital reserve	8.689.364	8.689.364
III. Tangible assets	2.616.306	2.063.248	III. Currency exchange differences	642.812	976.883
IV. Financial assets	95.780	95.780	IV. Other comprehensive income	15.398.457	11.138.580
V. Long-term receivables	73.723	74.601	V. Period net income	1.192.248	4.259.877
VI. Deferred taxes	247.660	329.320			
B. Current assets	34.598.777	32.356.762	B. Long-term liabilities	4.203.954	4.677.263
I. Inventories	19.675.982	17.545.046	I. Long-term bank/credit liabilities	3.749.996	4.166.664
II. Accounts receivables: deliveries/services	8.292.485	7.122.347	II. Long-term provisions	218.650	203.567
III. Tax receivables	1.342.428	1.484.298	III. Deferred taxes	235.308	307.032
IV. Other assets	595.254	549.580			
V. Cash on hand and cash equivalents	4.692.628	5.655.491	B. Short-term liabilities	9.932.634	7.701.816
			I. Bank/credit liabilities	833.336	416.668
			II. Trade payables: deliveries/services	4.898.380	3.556.986
			III. Tax accruals	1.174.306	1.592.653
			IV. Other provisions	235.908	215.332
			V. Other liabilities/accruals	2.790.703	1920.178
Total Assets	43.014.448	40.398.726	Total Equity/Liabilities	43.014.448	40.398.726

Consolidated Statement of Comprehensive Income per 30.09.2017: uncertified, according to IAS/IFRS

in Euro	Consolidated P&L 01.07.17-30.09.17	Consolidated P&L 01.07.16-30.09.16
Sales revenues	19.617.714	18.412.996
Increase of stock unfinished products	323.125	
Other operating income	363.594	378.266
Material expenses	13.904.329	12.793.939
Personnel expenses	2.917.782	3.017.480
Depreciation	139.867	129.813
Other operating expenses	1.630.400	1.791.916
Operating result (EBIT)	1.712.055	1.058.114
Income from investments	-	-
Other interest and similar income/expenses	-6.374	-12.417
Tax from income and revenue	513.397	292.795
Period's net income	1.192.284	752.902
Other result	-334.071	-8.312
Total result	858.214	744.590
Earning per share	0,40	0,25
Shares in total	2.954.943	2.954.943

Explanatory Remarks

Basics as regards the preparation of the quarter report

This shortened group management quarter report does not contain all necessary information and data for a group's financial statement and therefore, has to be read in combination with the group's financial statement and management annual report dated 30.06.2017.

The group management quarter report was neither examined nor verified by a certified financial auditor.

The report is made up in Euro. The charts and data may have rounding differences due to mathematical reasons.

Disclaimer of Warranty

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