

Fiscal Report of 1st Half Year 2015/2016

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Half Year July 01 – December 31, 2015**

Content

- **Management Report**
- **Consolidated Balance Sheet**
- **Consolidated Income Statement**
- **Consolidated Statement of Changes in Equity**
- **Cash Flow Statement**
- **Annexe including Segment Report**

FORTEC Elektronik AG

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Management Report 2015/2016

Group's Basic Principals

FORTEC known as international trading company is nowadays systems' supplier for manufacturers of industrial high-tech-products; thus part of the international added-value commercial chain. Being present at various production sites namely in the Far East as well as for European clientele, FORTEC possesses an interesting market segment – thus continuously developing its own engineering services as a supplier for customer-specific product solutions.

Its target potentials are high-tech companies of long-term and predictable positioning, especially in the growing market segments of industrial automation, informative technologies, security, medicine and automotive.

For 30 years, FORTEC has been more than successful for years in sales and results with its proved business model without having any losses.

The group covers two very attractive segments of high-quality electronics. In fact, FORTEC is market leader within the German-speaking countries specialised in its segments industrial power-supplies and data-visualisation.

In the field of power supplies, FORTEC domains completely open-frame boards and DC/DC convertors produced in standard in the Far East or modifies these units in Germany ranging to tailor-made and user-specific developments.

When connecting the product segments of display technology and embedded computer technology to create an Embedded Solution System, FORTEC possesses for a long time a very attractive rare domain. Marketing starts with delivery of system-proved and tested standard kits, accompanied by customers' service in hard- and software with the sale of standard units and ends in specific customer development and its installation.

The reason of FORTEC's success is a large number of customer business relations over years. Its distribution strategy is to find partnerships with top-clientele preferable market leaders in special segment. FORTEC's competence is efficient support in application, clientele tailor-made products – and last not least complete development for customers of the large-scale industry as well as for those with smaller and/or medium order volume.

Target clientele are mainly manufacturers in the field of industry automation, medicine technology as well as providers in the field of railway and security instruments. With this portfolio, FORTEC thus covers the fields of health, information, security and mobility as well as build-up of industrial manufacture, which at present involves the big trends of worldwide dynamic increase of demand.

Our big competence is to provide technology know-how in combination with sales at site. Years of business relations to thousands of customers are the basis of our success. In Germany, our various regional offices provide local customer service. In addition, there are sales offices and subsidiaries in Austria, Switzerland and The

Netherlands. Within the group, a 100% support in development and production is given by our subsidiaries Rotec (Rastatt) and Autronic (Sachsenheim). Also ALTRAC in Switzerland is a 100% subsidiary; not to forget the 36.6% participation at a company in The Netherlands.

The successful company of Emtron (Nauheim) – also is a 100% FORTEC's subsidiary – specialized in exclusive products of power supplies; it is represented directly and indirectly as well in the markets in Germany, Austria, Switzerland and The Netherlands.

As per 01.10.2014 we acquired the first 50% of Data Display GmbH and per 01.01.2016 the second 50% – thus also indirectly represented by their subsidiaries in England and the USA.

Due to our present product portfolio, our strategy is to continuously achieve profitable margins by own added-value, which, after cost deduction, still allows a reasonable interest rate of the company capital.

Business Report

During course of business in BY 2015/16, we experienced a slow economic recession same as in previous year. As predicted, business was characterized by an immense pressure on margin. The overall economic conditions show a slow, however unsecure recovery out of the financial crisis and recession of 2008.

Due to the first consolidation of turnovers of Data Display of 16.2 million EUR, the total turnover during fiscal half-year (01.07.-31.12.2015) was 39.4 million EUR; thus considerably topped the figures of 1st half-year 2014/15 amounting to 21.4 million EUR.

Turnover in the field of data visualisation is now 25.1 million EUR compared to last year's figures without Data Display of 8.1 million EUR. Turnover in the field of power supplies of 14.3 million EUR also increased compared to last year's figures of 13.2 million EUR.

Therefore, the increased group's income involves at the same time an increased costs of goods and materials employed of 27.7 million EUR.

Due to the higher value-added turnover figures of Data Display, there is a reduction of costs of goods and material from 75.8 % (1st half-year 2014/15) to now 70.2 % during first half-year of BY 2015/16. Unadjusted margin therefore increased from 24.2% last year to now 29.8 % during Y 2015/16.

The costs of personnel of 6.3 million EUR thus increased above average compared to 2.8 million EUR. Compared to the total result, the costs in personnel raised from 13.2% to 15.9%. In general, the achieved higher added-value in turnover is based on higher costs in personnel.

Depreciations of 0.3 million EUR (prev. year 0.1 million EUR) still are of secondary importance related to the total group's complex.

Other company expenses of 3.6 million EUR heavily increased compared to last year of 1.9 million EUR.

Important financial indicator is the EBIT-margin from operative business without income from investment. The group's EBIT consists of 1.3 million EUR in the field data visualisation (PY 0 million EUR) and 1.1 million EUR in power supplies (PY 0.7 million EUR).

The company's result of 2.4 million EUR after 0.7 million EUR and a margin of 6.2% after 3.3% considerably improved compared to the earnings of both segments.

The annual net income during first half year of BY 2015/16 increased to 1.8 million EUR compared to same period in BY 2014/15 – taken into consideration that approx. 0.7 million EUR are part of the other associate/proprietor of Data Display.

The result per share increased from 0.20 EUR last year to now 0.60 EUR – taken note that 0.22 EUR are due to the other associate/proprietor of Data Display. In view of the 50% share of FORTEC at Data Display, there would be a proportional profit of 0.38 EUR during period of 01.07. - 31.12.2015.

The company's financial situation is considered to be extraordinary and compared to companies of similar business model persuades again by an equity capital quota higher than above-average. The primary consolidation of Data Display GmbH as per 30.06.2015 has an influence on all balance items at balance date.

The long-term assets are 6.6 million EUR at a balance of 38.7 million EUR.

This includes the goodwill of 3.3 million EUR resulting from the acquisition of companies during past years.

Intangible assets, property and financial assets as well as long-term receivables increase due to the participation assets of Data Display GmbH to now 3.1 million EUR.

As concerns short-terms: value of stock amounts to 18.7 million EUR, i.e. 48.3 % - representing the biggest item in balance; followed by receivables from deliveries and productivity of 7.3 million EUR as well as cash available of 5.0 million EUR mainly based on the participation of Data Display GmbH.

In fact, the company works without any bank liabilities. Having a capital quota of 66 %, the company possesses sufficient own capital of 25.6 million EUR (without other associates/proprietors' capital).

During first half year of BY 2015/16, cash-flow in operative business was minus 0.7 million EUR (PY minus 0.3 million EUR) – again based on increase of stock during fall like previous year.

The cash-flow as regards investments of -0.4 million EU basically results from the purchase of SMD assembly equipment for the subsidiary Autronic.

As far as the group concerns, non-financial indicators are: the employees, long-term contact to suppliers and clientele.

Also, there are employees for many years supported by us in their own-responsibility and endeavours for efficiency.

Our stable business over centuries is based on a long-term and close co-operation with selected suppliers. It assures benefit to many of our customers over all these years which again add to our business success.

The company holds on to the ecological significance in its operative business.

Annexe Report

As pr 01.01.2016, the second 50% of Data Display was acquired. First amount of 5.4 million EUR was paid beginning January; the remaining sum is due at balancing issue of Data Display.

Forecast Report

In spite of positive aspects, the economic recovery within the entire Euro-zone is still not insight. Geo-political crises burden the public mood. First of all, there is the conflict in the Ukraine accompanied by the sanctions against Russia – not to forget the economic effects on the German industry. On the other hand, the development in the Middle East has a strong impact to the economic development. And last but not least, there is a considerable insecurity of the export-orientated economy in Central Europe due to the economic recession in China and other emerging markets.

In spite of all risks involved, many research institutes are positive that economy in Euro-zone continues to grow this year as well as during next two years. However, EZB predicts in its expertise this fall 2015, that there are less positive forecasts as to a slower economic recovery than previously expected.

In view of the latent uncertainty, we continuously expect a further positive development of the group's turnover due to the good positioning of subsidiaries e.g. EMTRON and Data Display GmbH.

In the field of power supplies within the group, we expect a side-swing during BY after the considerable increase. However, considering the further positive perspectives, we will employ in BY 2015/16 additional personnel in order to further strengthen our market position. Based on these long-term projects, first of all there are costs involved without any service in return; thus reducing our earnings in this segment during current BY.

Based on Data Display GmbH, we will start new impulses in the segment of data visualisation. During current business year, it will show whether we successfully add on to FORTEC's business together with Data Display GmbH. In order to evaluate matters, it still is uncertain whether a business merger is possible or not.

In the long run, we foresee considerable potential in the economic field 4.0 – the German industry has a very special start position. FORTEC's strength will be in the field of embedded computers.

For more than 30 years and based on our business policy proven during many years' cycles, we succeeded to make profit year by year without having one single year of loss. However, there is no guarantee for the future, yet we still are confident that our business model continues to run successfully - and we are positive that continuous long-term growth is possible.

Risk Report and Chances.

The risks mentioned in categories below could influence our entire company (total risk), our financial situation (financial risk) and our profitability (result risk). Further risks are that of personnel and technique; we have to face these risks continuously.

These risks are not definite, however others may occur which at present, we do not know nor do consider as important.

Risks that could endanger the company at present are not reported. The total risk of doom can practically not be determined at this time.

Balance risks as regards finances at balance day e.g. receivables from deliveries and productivity have been considered by appropriate depreciation and accruals. At balance day, the evaluation of these risks was made to our best knowledge, yet could not be sufficient in total.

Elementary risks are covered by considerable insurances and are thoroughly checked each year; in special cases it may not be sufficient.

Potential risks which have to be taken into consideration to exist within the market are the risks of distribution, products and marketing as well as the dependency from other suppliers.

Another enormous risk - yet not to be underestimated - is the system-related risk of the close co-operation with only few strategic partners in our product portfolio. Already a change in personnel could lead to the loss of an existent and successful business co-operation and this mainly in view of suppliers in the Far East with whom there are often relationships for many years and even of private matter.

For centuries, the market of the professional electronic industry is dominated by a continuous decrease of prices at same service respectively by technical service above average at constant prices. Although in the past, we managed to deal with this risk, it is not guaranteed that there may be losses in the future because of this price-related risk.

A considerable risk is disposition of stock. In spite of a multi-stage purchasing process, wrong planning could result in considerable losses because there is a continuous trend to local suppliers. The risk to have unsellable merchandise on stock, is not only the result of false material planning, but also depends on the different quality standards set by customers and producers. Mainly, the important fact is that of the

configuration of the merchandise with origin Far East as well as the political EU requirements as to its contents and its usage.

Compared to a few years ago, the product liability is an increasing risk to the company which is controlled and defined by choice of suppliers and their ratings. However, as concerns different quality standards, frauds and/or criminal actions of suppliers, we - as importer/supplier - are liable towards our customers.

A yet steady growing risk is the customers' requirements as concerns a prolonged time of warranty and the usual terms of suppliers' contract. During these past years, the clientele started to develop a certain aggressiveness for claims which is obviously against and at expenses of the supplier. Claims resulting of a supplier's contract may accelerate considerably the delivered product value; resulting in more legal proceedings including corresponding risk.

Another main topic of the risk management is the often bad credit worthiness of some middle-sized companies. Here, careful examination of its solvency is made, yet observing mainly the requirements of the insurance company.

Our success in the market also strongly depends on intensive and years of experience of our personnel (personnel risk). A big change in staff, yet especially of key-persons would definitely endanger our current success.

A big question would endanger our business model as importer of technical high-quality products i.e. the change in clientele's behaviour to no longer produce in Middle Europe and turn to local suppliers. In the future, the same effect would have the behaviour of our suppliers to sell directly via internet to industrial clientele and not any more within their distribution channels. Another negative aspect could be a concentration process expected from the supplier's side which could involve – in worst case – a contract cancellation towards the supplier. In addition, similar effects could arise if the costs decrease because of the reduction of margins due to competitor's information available to all customers via internet. This basically influences the personnel costs applied in the German speaking area.

Due to the NDP – networking of the entire group, a break-down (technical risk) or a serious interference in the computer system could cause enormous damage to the company. An abuse by externals or internals, especially theft of information, business interruptions or IT – system breakouts or insufficient means for data security could extremely endanger the company.

Foreign currency risks are excluded, if possible, in case of larger project by invoicing directly in the relevant currency. However, there could be negative impulses on our company in normal business especially due to a further change of the dollar and yen parity as well as fluctuations of the Swiss Franc towards Euro, Dollar and Yen.

The existing growth strategy of the group does not only involve organic increase but also company acquisitions. Here, the figure above the net asset value is balanced as goodwill and checked each year as to its recoverability. If the expectations of the purchased company are not met and/or – as a consequence of economic unstableness – the expected cash-flow result cannot be achieved, then depreciations

in the group's balance as per IFRS have to be done. An additional need for future depreciation may not be eliminated.

A considerable change compared to PY is the acquisition of the Data Display Group together with its development, production and subsidiaries in England and USA. Careful development and production involve the higher risk (item: fix costs) not being flexible any more towards market fluctuations. Due to distances and different mentality in the USA, the acquisition of Data Display GmbH with its US subsidiary involves the risk for eventual foreign losses.

Besides risks, there are new chances as well. New market chances outside the German speaking region, were realised by the purchase of Data Display Group and their partners in England and the USA.

For FORTEC as a technology company, there are product chances also by the acquisition of Data Display Group within the field of displays, touch-solutions according to optical bonding as well as high-quality industry monitors.

Furthermore and based on a profound evaluation of product as well as market chances, CEO will take measures as regards product portfolio, marketing and sales as well as concerns financial means (money, funds, etc.) and resources which may involve potential risk.

Risk Management

The risk management system of the FORTEC group assures that the daily business transactions may not be endangered by well-known and/or new risks to be made transparent and thus be controlled and/or even avoided.

The risk management is part of the management system enabling to recognise risks and limit their consequences as much as possible.

The risk management is a continuous task. Therefore, it is necessary to involve all personnel and especially the persons-in-charge to recognize any possible company risks.

Considering the statutes of risk analysis made by CEO of the individual FORTEC companies, appropriate measures were taken and responsible persons-in-charge appointed.

Controlled by quarterly risk reporting, the management (CEO) is informed regularly of the actual state of risk, however being updated of a sudden risk at any time. The formal implement of the risk management system will be of help; more important however is a continuous sensitising of all personnel for any possible risks and their immediate handling.

Goal of the risk management is that any possible risk is immediately recognized by personnel and/or the persons-in-charge before any company damage may occur and to try to find an appropriate and in-time solution by the responsible personnel as well as persons-in-charge.

Internal Control and Risk Management in view of balancing process.

This control and risk management is an integral part of all processes of the FORTEC group and is based on a global system of risk identification, its evaluation as well as its controlling. The board of directors holds sole responsibility for control and risk management. Active monitoring are to support its identification, evaluation and processing within the specific business sectors of the FORTEC AG and its subsidiaries.

Relevant information especially as to organisation and its process of the current BY may be referred to in the present QA-manual.

Monthly statements of the FORTEC AG and its subsidiaries help to recognize in time any changes as concerns order income, order book, stock as well as turnover and consequently take necessary steps as to the raw margin and costs. The value of receivables, especially those of the debtors is controlled on a regular basis. The value of share holdings is controlled once a year by a so-called impairment test and corrected if necessary.

The measures of the internal control system assure the correctness and reliability of the group's balance, which, in accordance with legal regulations, is covered properly and in time; furthermore, inventory is made correctly and group's assets and depths are listed and evaluated appropriately. It is guaranteed that balancing documents provide reliable and understandable information.

The balancing regulations are in accordance with the International Financial Reporting Standards (IFRS) and are basis for FORTEC's balancing and evaluation standards also applying to its German and foreign subsidiaries.

The group's auditor and others e.g. the tax auditor use process independent controlling. Especially as regards the group's final balancing process, a specific autonomous monitoring is applied at issue of the group's year balance.

Risk reporting as concerns application of financial instruments:

The company's existing financial instruments are: bank giro account, assets' account, suppliers' credits as well as receivables, etc.

The company consists of a solvent and credit-worthiness clientele which is secured by a goods credit insurance starting at EUR 10.000 in case of merchandise deliveries below DAX 30 index fixed companies. The loss of receivables to an extent that may endanger the company are not expected.

Liabilities are to be paid within payment terms.

Goal of the finance- and risk management is to ensure the company's success against any kind of financial risks.

Possible risks of price changes which may exist in a potential loss due to negative changes of market prices or price-relevant parameters, will be minimised by contractual agreements.

For protection of risks in liquidity, a regular survey of cash-receipt and cash-payments are made. To minimise these risks, the company possesses an appropriate debtors' account management.

Overview of the risk and chances situation

As CEO of a technology company, we note a majority in chances for the future development of the company comparing risk against chances. Although company risk continuous raise, requirements as concerns products permanently increase and the products' life-cycle even diminishes, we assume that our market will change in a positive way - especially by industry 4.0 as part of internet (IoT)

Further Information according to § 315 Article 4 HGB

The number of shares is 2.954.943 at a nominal value of 1 EUR. At present, there is no limited or proved capital, nor any program for repurchase of stock.

The signed capital is exclusively common stock drawn to bondholders who are entitled to vote. There are neither limitations as concerns the right to vote nor the purchase.

Appointment and dismissal of the board is in accordance with legal regulations (§§ 84, 85 AktG). The compensation scheme of the management board breaks down to a fix and a variable part which depends on achieved EBIT resp. year's profit before tax. On 15.12.2011, the general shareholders board decided, that the required statements in the financial report can be omitted as per § 314 Abs.1 No. 6 Art. 5-9 HGB. It is not agreed that there are any refunds to be made in case of change of control and/or any takeover offer. If change of control based on a takeover offer takes place, it is agreed that the suppliers' contracts essential for the company may be cancelled by the principals. Especially, when there is a potential risk that a competitor is to take-over – facts to be discussed with CEO.

In case of a change in control due to a take-over, essential suppliers' contracts may be cancelled. This risk exists when a contractual supplier may fear the interruption of a competitor.

Alterations of articles of the association require a majority of board votes of 75%.

Costs for research and development were not noted.

Statement re: company's business management according to § 289 a HGB

Responsible and long-term orientated added-value of business management are the leading tasks of FORTEC Elektronik AG. Based on this declaration, CEO reports about business management according to § 289 a HGB.

FORTEC's business management is by great means dominated by self-responsibility and ethical conduct of every single employee and/or person-in-charge taken into consideration the legal requirements and internal procedure information.

The business management of FORTEC as a German AG noted at stock exchange is defined by the AG-law and its restrictions as concerns the "Deutsche Corporate Governance Kodex" at its current edition. On February 26, 2002, the German government published the "Deutsche Corporate Governance Kodex". Its edition published on May 15, 2012 defines essential regulations as concerns the management and control of German stock exchange noted companies and includes international and national standards of good and responsible business management. Goal of these standards is to inform about German regulations in order to strengthen business confidence of international and national investors, customers, employees and the public opinion as concerns business management of German companies.

CEO and board of managers of FORTEC herewith declare to have done this declaration according to § 161 AktG after serious examination; this document may be referred to by a stock/share-holders of the company at its website.

Landsberg/Germany, February 25, 2016
FORTEC Elektronik AG

Dieter Fischer
CEO

Jörg Traum
Board Member

CONSOLIDATED BALANCE SHEET (uncertified), according to IAS/IFRS
31.12.2015 (last year's figures 30.06.2015)

AKTIVA / ASSETS		Consolidated Balance sheet 31.12.2015	Consolidated Balance sheet 30.06.2015	PASSIVA / TOTAL EQUITY & LIABILITIES		Consolidated balance sheet 31.12.2015	Consolidated balance sheet 30.06.2015
A. Langfristige Vermögenswerte	Non-current assets			A. Eigenkapital	Shareholders' equity		
I. Goodwill Immaterielle	Goodwill	3.301.192	3.309.067	I. Gezeichnetes Kapital	Subscribed capital	2.954.943	2.954.943
II. Vermögenswerte	Intangible assets	213.594	244.323	II. Kapitalrücklage	Capital reserve	8.689.364	8.689.364
III. Sachanlagevermögen Finanzielle	Tangible assets	2.395.680	2.144.635	III. Umrechnungsdifferenzen	Exchange differences Other compreh.	1.872.327	1.866.614
IV. Vermögenswerte Langfristige	Financial assets Accounts	95.780	95.780	IV. Sonstige Rücklagen	Income	10.281.514	8.407.505
V. Forderungen	receivable	444.167	463.867	V. Periodenüberschuss	Net income	1.772.457	1.874.009
				VI. Eigenkap.Mutter Unternehm.	Capital mother co.	25.570.605	23.792.436
				VII. Ausgleichposten Gesellsch.	Item other shareholder	5.379.302	5.379.302
				Eigenkapital Gesamt	Total capital	30.949.907	29.171.738
VI. Latente Steuern	Deferred Taxes	201.139	282.386	B. Langfristige Verbindlichkeiten	Long-term liabilities		
		6.651.552	6.540.059				
B. Kurzfristige Vermögenswerte	Current assets			I. Langfr. Rückstellg./Verbindl.	Other provisions	629.287	369.728
I. Vorräte	Inventories	18.726.853	16.733.440	II. Latente Steuerverbindlichk.	Deferred Taxes	198.552	535.184
						827.839	904.912
II. Lieferungen und Leistungen	Accounts receivables	7.295.971	8.168.858	C. Kurzfrist. Ver- bindlichk.	Short-term liabilities		
III. Steuerforderungen Sonstige	Tax receivables	498.345	725.266	I. Verbindlichk. gg.Kreditinst.	Bank liabilities	160.633	1.000.000
IV. Vermögenswerte Zahlungsmittel und	Other assets	579.210	353.859	II. Verbindl. Lief./ Leistungen	Trade payables	3.155.543	3.629.388
V. Zahlungs. mitteläquivalente	Cash on hand bank balances	5.006.209	5.728.148	III. Steuerverbindlichkeiten	Accruals other taxes	929.342	1.216.674
		32.106.588	31.709.581	IV. Sonstige Rückstellungen	Other provisions	162.897	140.376
				V. Sonstige Verbindlichkeiten	Other Liabilities/accr.	2.571.979	2.186.553
						6.980.394	8.172.992
Summe Aktiva	Total assets	38.758.140	38.249.640	Summe Passiva	Total Equity and Liabilities	38.758.140	38.249.640

Consolidated Income Statement (uncertified), according IAS/IFRS

01.07. - 31.12.2015 (last year's figures 01.07. - 31.12.2014) in EUR

Income Statement	BY 2015/16	BY 2014/15
Sales revenues	39.428.470	21.319.484
Change in stock of unfinished merchandise	109.159	130.745
Other operating income	749.148	260.912
Cost of material	27.694.253	16.164.197
Expenses personnel	6.272.537	2.833.819
Depreciation	278.200	137.772
Other operating expenses	3.600.496	1.872.141
Operating income (EBIT)	2.441.291	703.212
Result of participations	---	105.825
Interests and similar income	17.049	6.663
Taxes on income and profit	685.883	205.864
Net income *	1.772.457	609.836
Other result **	5.713	75.030
Total result	1.778.170	684.866
Earnings per share/ 1st half year	0,60	0,20
Shares outstanding (pcs)	2.954.943	2.954.943

*Net income includes €664.036 resp. 0,22 € per share of associate/proprietor of Data Display

** Other result** includes only success-neutral differences from foreign currency exchange rates.

**Consolidated Income Statement of
2nd Quarter BY 2015/16** (uncertified), according IAS/IFRS

01.10. - 31.12.2015 (last year's figures 01.10. - 31.12.2014) in EUR

Income Statement	Q2 (1.10.-31.12.15)	Q2 (1.10.-31.12.14)
Sales revenues	20.012.185	9.223.568
Change in stock of unfinished merchandise	109.159	130.745
Other operating income	467.506	169.184
Cost of material	14.139.661	7.526.851
Expenses personnel	3.186.292	1.363.851
Depreciation	158.745	69.069
Other operating expenses	1.884.457	1.011.212
Operating income (EBIT)	1.219.695	292.914
Result of participations *	---	105.825
Interest and similar income	10.720	1.913
Taxes on income and profit	339.616	91.466
Net income *	890.799	309.186
Other result **	2.484	61.394
Total result	893.283	370.580
Earning per share/2nd quarter	0,30	0,10
Shares outstanding (pcs)	2.954.943	2.954.943

*Net income includes € 385.186 € resp. 0,12 € per share of associate/proprietor of Data Display

** "Other result" includes only success-neutral differences from foreign currency exchange rates.

Consolidated Statement of Changes in Equity

				Other comprehensive income		TOTAL
	Subscribed capital	Capital reserve	Exchange rate differences	Market Evaluation reserve	Profit reserve/ profit carried forward	
	EUR	EUR	EUR	EUR	EUR	EUR
Balance per 01.07.2015	2.954.943	8.689.364	1.866.614	0	10.281.514	23.792.436
Net income					1.772.457	1.772.457
Changes "other result"			5.713			5.713
Dividend payments						
Balance per 31.12.2015	2.954.943	8.689.364	1.872.327	0	12.053.971	25.570.605
Balance per 01.07.2014	2.954.943	8.689.364	1.091.320	0	9.384.171	22.119.798
Net income					609.836	609.836
Changes "Other result"			75.030			75.030
Dividend payments						0
Balance per 31.12.2014	2.954.943	8.689.364	1.166.350	0	9.994.007	22.804.664

Consolidated Cash-flow Statement (uncertified), according to IAS/IFRS

01.07. -31.12.2015 (last year's figures 01.07. - 31.12.2014)

	<u>BY 2015/16</u>	<u>BY 2014/15</u>
I. Operative Income		
Net income	€ 1.772.457	€ 609.836
Depreciation of tangible and intangible assets	€ 278.200	€ 137.772
Change of inventories	€ ./ 1.993.413	€ - 1.521.531
Reduction of accounts receivables	€ 1.119.508	€ 1.503.974
Change of liabilities	€ ./ 1.551.750	€ - 1.051.133
Change of accruals	€ 282.080	€ 52.890
Change of other accruals	€ ./ 144.104	€ - 55.650
Cash-flow from operative business	€ ./ 237.022	€ - 323.842
II. Investment Activities		
Investments of financial/tangible and intangible assets	€ ./ 484.917	€ - 6.217.069
Earnings from assets	€ 0	€ 0
Cash-flow from investment activities	€ ./ 484.917	€ - 6.217.069
III. Financial Activities		
Dividend payments	€ 0	€ 0
VI. Cash-flow in total	€ ./ 721.939	€ - 6.540.911
V. Change in liquid funds		
Cash at beginning of period	€ 5.728.148	€ 8.664.527
Cash at end of period	€ 5.006.209	€ 2.123.616

Annexe.

The current half-year report has to be read in connection with the Annual Group's Report dated 30.06.2015. The balancing and evaluation methods of fiscal year 2014/15 according to IAS/IFRS remain unchanged. The information given in this report is only valid at day of publication and cannot be written forth. The number of full-time employees was 202 (prev. year 111 – however without personnel of Data Display Group). The group's business comprises data visualization and power supplies.

<u>Segment report</u>	Data visualisation T€	Power supplies T€	TOTAL T€
Turnover	25.133	14.295	39.428
Company result (EBIT)	1.323	1.118	2.441
Financial result	15	2	17
Taxes	361	325	686
Net result	977	795	1.772

Assurance of Legal Representatives

To the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the FORTEC Group, and the combined management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Germany/ Landsberg, February 25th, 2016

FORTEC Elektronik AG

Dieter Fischer
CEO

Jörg Traum
COO Power Supplies