

Annual Report 2005/2006

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Fiscal Year July 01, 2005 – June 30, 2006

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FORTEC Elektronik AG

Ph: +49(0)8191-91172-10 Fax: +49(0)8191-21770 email: aktie@fortecag.de

Management Report 2005/2006

Business and Results

During fiscal year 2005/06, the worldwide market situation continued to boom especially in the industrial section of investment goods. Since spring 2004, the related business of our industry in the German speaking countries is recovering mainly due to export business. First of all during previous half year of BY 2005/06, the dynamic development of the industrial activities picked up again considerably.

During BY 2005/06 FORTEC was in a position to continue to increase its turnover noticeably by several large orders. To mention last but not least the biggest order ever in the amount of 5 million EUR. This was a project in the range of data recognition which will not be assigned any more in the near future.

The group's turnover during BY 2005/06 having obviously risen to 45,3 million EUR (prev. year 34,8 million EUR), also the group's year's gross profit according to IFRS was continuously improved parallel to the development of previous years and grew from 1,5 million EUR to 1,7 million EUR compared to last year.

As concerns the year's end report of the FORTEC AG alone, the turnover increased by 40 % to 33,8 million EUR compared to 23,5 million EUR last year. The year's gross profit 2005/06 of the FORTEC AG according to HGB amounts to 1,4 million EUR (prev. year 0,4 million EUR).

Approximately $\frac{3}{4}$ of the total revenue belongs to the FORTEC AG. Therefore, one mutual report of the AG and the group will be issued. A profound aggressive price policy during an upswing is always recommendable to accumulate market volume. Yet in BY 2005/06 there was an unparallel development of turnover and operative revenue due to a devaluation of the stock regarding products not in conformity to RoHS. As already mentioned in "Risk management" of last year's report, the EU regulation valid as per 01.07.2006 prohibits the sale of toxic, mainly lead-containing products to a large part of the industry after this d-day. By means of the devaluations made at balance day and from today's point of view, the future risk of RoHS products is completely eliminated.

When comparing figures to last year, it has also to be considered that, due to special influences, the year's gross profit of 2004/05 of the subsidiary EMTRON gained by about 0,5 million EUR compared to this year's figure. Not to forget, the sales of security bonds did also add to the favourable result of BY 2005/06.

During BY 2005/06, our capital earnings after tax (the group and FORTEC AG) are about 12% and thus, relatively close to our expectations of 15%.

Financial Situation

The financial situation of the group is still healthy. The company is mainly working only on own capital. The group's balance reveals a capital quota of 72% (prev. year 75%) having own capital of 14,7 million EUR (prev. year 13,6 million EUR) at a balance volume of 20,4 million EUR (prev. year 18,1 million EUR). FORTEC AG alone only works on own capital with a capital quota of 71% (prev. year 75,0%) at a balance volume of 17,3 million EUR (prev. year 15,5 million EUR).

In BY 2005/06 the company made a share split of 1:3. Therefore, suggestion is made by the management and board to the annual shareholders' board meeting to release 0,30 EUR per share at same dividend as last year. This, first of all in consideration of a still possible financing of planned investments by own capital and also in view of a company working further on without bank liabilities.

The option shares handed out in BY 1998/99 at a basis price of now 15,-- EUR after the split 1:3 and automatic prolongation have a current validity of 15th March 2007 if the opening quotation of the FORTEC share is above EUR 15,-- at least 10 stock-exchange days before 22nd January 2007. If the value of the FORTEC share is not above the limit of EUR 15,-- during this mentioned period, then the option share will be prolonged till 15th March 2008.

Analysis and Strategy

FORTEC focus is on distribution of standard components. Due to vast and always available information via Internet, there will be a reduction of the margins in real industrial business in the long run. FORTEC's goal is to compensate this development by own added-value.

By connecting the product segments of power supplies, display tecnics and embedded computer technology to create an Embedded Solution System, FORTEC possesses for a long time now a very attractive, rare domain in the German speaking region amounting to a volume of more than 500 million EUR.

Marketing starts with delivery of FORTEC's special system-proved and tested standard kits, accompanied by customers service as concerns hard- and software up to the development and sale of customer-specific equipment and systems.

Target customers mainly are manufacturers in the field of industry automation, medicin technology and electronical information media as well as providers in business such as telecommunication, automotive and security technology.

Our big competence is to provide technology know-how in combination with sales at site. Years of business relations to some thousand customers are the basis of our success. Our core countries namely Germany, Austria and Switzerland still offer considerable potential although already reached leadership in some market segments. Moreover, we are represented in the Benelux by a 25% participation in an electronic company.

Our strategy is to continuously achieve over-proportional profits of market segments in a long-term still considerably growing market. The basis of our steady successful expansion politics - also in the past – is: secured profitability.

Risk management

Balance risks if any at balance day have been considered by corresponding accruals. The company has taken care of all possibilities to deal with any possible risks.

Elementary risks are covered by considerable insurances.

Potential risks which have to be taken into consideration to exist within the market are the risks for distribution, products and marketing.

We are in a position to early recognise by EDP-systems changes in order forecast as to order income, stock as well as turnover, raw margin and costs.

A considerable risk is forecast of stock. Wrong planning could result in considerable losses.

Another main topic of the risk management is the often bad payment behaviour of some middle-sized companies. Here examination of solvency as well as current debtors is made, yet observing mainly the requirements of the goods' insurance company.

A yet steady growing risk is the customer's requirements as to a prolonged time of warranty and as per German law of 2002 in cases of warranty, a reversal of burden of proof has to be provided by the supplier. In addition and since that time, the costs for build-in and build-out of defective parts are to be reimbursed to the customer - costs which in total may accelerate considerably the delivered value of the product. Here, the customers started to develop a certain aggressivity for claims which is obviously against and at expenses of the supplier.

Another rather big risk which also needs to be taken into consideration is the close co-operation with only few strategic partners in the same product portfolio. Yet this dependence is part of our successful business model so far.

Our success also strongly depends on the vast, detailed and years of experience of our personnel. A change in staff to a big extent and especially of key-persons would definitely endanger our current success.

Due to the EDP – networking of the entire group, a break-down or a serious interference in the computer system could cause enormous damage to the company. A misuse by externals or internals, especially theft of information, business interruptions or IT – system breakouts or unsufficient means for data security could endanger the company to an extreme extent.

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 parity.

Only order-based projects are realized; basic research and non-order-based development are not applicable.

There are no circumstances of special importance to be reported at end of the BY.

Expectations

As a supplier to the industry of investment goods, we also have to deal with its ups and downs.

The last industrial recession in the electronic field which started in spring 2001 and ended in spring 2004 is now over after 3-years. Then an increase in the economic cycle started in Middle Europe – yet at the beginning still hesitating – particularly based on export business.

During second half of BY 2005/06, a self-yielding economic situation of our segment could be seen, mainly defined by national demand – thus enabling us to note a raise in turnover of merely 30%.

If the cycles of previous years are to be repeated, we expect further growth in BY 2006/07 in our segment of the investment industry. Eventually, this would give us a chance to else compensate the once attracted big order about 5 million EUR in BY 2005/06.

Being listed at Prime Standards, we are quarterly observed and analysed by financial analysts. Our entire business policy is exclusively based on a long-term growth of our company.

That is the reason why we have been mentioned by one German financial publication magazin (Börse Online 28/2006) as one of the 30 strongest financial growing companies among more than 500 German companies. Fact was that since 1998, continuous profit was made and during this period, profit may not be diminished compared to previous year and if so - only once.

The criteria for our company could have been set even tougher because profit was achieved every year without exception for over 20 years since the foundation of the company. For BY 2006/07 further positive expectations are made.

As per today's report and knowledge, we again expect an increase in revenue for the first quarter of coming BY 2006/07 same figure as previous years period.

KONZERNBILANZ zum 30. Juni 2006

CONSOLIDATED BALANCE SHEET

Fortec Elektronik AG

AKTIVA / TOTAL ASSETS		Konzernbilanz Consolidated balance sheet 30.06.2005	Konzernbilanz Consolidated balance sheet 30.06.2006	PASSIVA / TOTAL EQUITY AND LIABILITIES		Konzernbilanz Consolidated balance sheet 30.06.2005	Konzernbilanz Consolidated balance sheet 30.06.2006
A. Langfristige Vermögenswerte	Non-current assets			A. Eigenkapital	Shareholders' equity		
I. Immaterielle Vermögenswerte und Goodwill	Intangible assets and Goodwill	4.828.181,48	4.812.699,31	I. Gezeichnetes Kapital	Subscribed capital	2.700.000,00	2.700.000,00
II. Sachanlagen	Tangible assets	761.210,25	741.349,46	II. Kapitalrücklage	Capital reserve	5.359.521,59	5.654.521,59
III. Finanzanlagen	Financial assets	635.681,00	189.001,00	III. Umrechnungsdifferenzen	Exchange differences	-28.572,73	-74.184,51
IV. Latente Steueransprüche	Deferred taxes	197.421,00	197.421,00	IV. Sonstige Rücklagen	Other compreh. Income	3.978.098,86	4.705.322,78
		6.422.493,73	5.940.470,77	V. Jahresüberschuss	Net income	1.555.213,92	1.680.684,52
B. Kurzfristige Vermögenswerte	Current assets			B. Langfristige Verbindlichkeiten	Long-term liabilities	13.564.261,64	14.666.344,38
I. Vorräte	Inventories	4.967.108,39	4.970.862,79	I. Sonstige Rückstellungen	Other accruals	161.440,00	179.690,00
II. Forderungen aus Lieferungen und Leistungen	Accounts receivable	3.902.579,30	7.924.870,36	II. Latente Steuerverbindlichkeiten	Deferred Taxes	227.311,45	259.954,96
III. Sonstige Vermögenswerte	other assets	210.677,04	651.340,28	C. Kurzfristige Verbindlichkeiten	Short-term liabilities	388.751,45	439.644,96
IV. Wertpapiere	securities	0,00	29.000,00	I. Verbindl. Kreditinstitute	liabilities to banks	0,00	124.751,67
V. Liquide Mittel	Cash on hand, balances with banks	2.601.752,19	901.463,25	II. Verbindl. Lief./ Leistungen	Trade payables	1.478.401,05	2.655.248,94
		11.682.116,92	14.477.536,68	III. Steuerrückstellungen	Accruals for other taxes	513.020,96	290.138,53
				IV. Sonstige Rückstellungen	Other accruals	1.658.169,91	1.832.336,48
				V. Sonstige Verbindlichkeiten	Other liabilities	502.005,64	409.542,50
						4.151.597,56	5.312.018,11
Summe Aktiva	Total assets	18.104.610,65	20.418.007,45	Summe Passiva	Total Equity and Liabilities	18.104.610,65	20.418.007,45

Konzern Gewinn- und Verlustrechnung 01.07.2005 - 30.06.2006**Consolidated income-statement 01.07.2005 - 30.06.2006****Fortec Elektronik AG**

		Konzern GuV Consolidated income-statement 01.07.2004 - 30.06.2005	Konzern GuV Consolidated income-statement 01.07.2005 - 30.06.2006
1. Umsatzerlöse	Sales revenues	34.823.714,22	45.280.464,87
2. Minderung Bestand unfertige Erzeugnisse	Decrease in finished goods/work in process	-22.930,00	-35.234,00
3. sonstige betriebliche Erträge	Other operating income	947.523,97	1.489.127,55
4. Materialaufwand	Cost of material	25.470.913,98	36.471.659,07
5. Personalaufwand	Personnel expenses	4.408.560,22	4.500.129,29
6. Abschreibungen	Depreciation	343.098,40	257.711,20
7. Sonstige betriebliche Aufwendungen	Other operating expenses	<u>2.844.614,41</u>	<u>2.906.132,68</u>
8. Sonstige Zinsen u. ähnliche Erträge	Other interest and similar income	36.246,77	44.917,51
9. Zinsen u. ähnliche Aufwendungen	Other interest and similar expenses	<u>6.127,95</u>	<u>24.648,07</u>
10. Ergebnis der gewönl. Geschäftstätigkeit	Results from ordinary activities	2.711.239,98	2.618.995,62
11. Steuern vom Einkommen und Ertrag	Taxes on income	1.133.738,15	933.873,82
12. Sonstige Steuern	Other taxes	22.287,92	4.437,27
13. Jahresüberschuss	Net income	1.555.213,92	1.680.684,52
14. Ergebnis je Aktie unverwässert verwässert	Earnings per Share Basic Diluted	0,58 0,58	0,62 0,62

Konzern-Kapitalflussrechnung

Consolidated Cash Flow Statement

		2004/2005	2005/2006
I. OPERATIVER BEREICH	OPERATIVE BUSINESS		
1. Jahresüberschuss	1. Consolidated net income	1.555.213,92	1.680.684,52
2. Abschreibungen auf Sachanlagen und immaterielle Anlagengegenstände	2. Depreciation of tangible assets and intangible assets	288.096,40	242.711,20
3. Zunahme (VJ Zunahme) der Vorräte	3. Increase (PY Increase) in inventories	-246.947,21	-3.754,40
4. Zunahme (VJ Zunahme) der Forderungen aus Lieferungen und Leistungen und sonstige Forderungen	4. Increase (PY Increase) in accounts receivable and other debts receivable	-370.384,49	-4.427.718,35
5. Zunahme (VJ Abnahme) der Verbindlichkeiten aus Lieferungen und Leistungen	5. Increase (PY Decrease) in accounts payable	-433.176,02	1.176.847,89
6. Abnahme (VJ Abnahme) der kurzfristigen Rückstellungen	6. Decrease (PY Decrease) in short-term accruals	-198.111,98	-12.215,86
7. Zunahme (VJ Abnahme) der sonstigen Vermögensgegenstände u. Rechnungsabgrenzungsposten	7. Increase (PY Decrease) in other assets and prepayments	38.504,64	-64.235,95
8. Abnahme (VJ Zunahme) der sonstigen Verbindlichkeiten	8. Decrease (PY Increase) in other liabilities	189.452,86	-59.819,63
Cash flow aus dem operativen Bereich	Cash flow provided from operating business	822.648,12	-1.467.500,58
II. INVESTITIONSBEREICH	INVESTMENT ACTIVITIES		
1. Investitionen in Sachanlagevermögen und immaterielle Anlagengegenstände	1. Investment in tangible assets and intangible assets	-243.100,78	-245.600,52
2. Investitionen in Finanzanlagen	2. Investment in financial assets	-635.680,00	-177.400,00
3. Erlöse aus den Abgängen von Sachanlagevermögen	4. Proceeds from fixed assets sales	89.327,60	4.094,09
4. Erlöse aus den Abgängen von Finanzanlagen	5. Proceeds from financial assets sales	0,00	871.468,00
Cash flow aus dem Investitionsbereich	Cash flow from investment activities	-789.453,18	452.561,57
III. FINANZIERUNGSBEREICH	FINANCING ACTIVITIES		
1. Erhöhung gezeichnetes Kapital	1. Increase subscribed capital	0,00	0,00
2. Erhöhung Kapitalrücklage	2. Increase capital reserve	270.000,00	295.000,00
3. Währungsumrechnungsdifferenz aus Beteiligungsansatz	3. Exchange difference	-26.433,21	-45.611,78
4. Gewinnausschüttung	4. Distribution of profits	-675.000,00	-810.000,00
Cash flow aus dem Finanzierungsbereich	Cash flow from financing activities	-431.433,21	-560.611,78
IV. CASH FLOW INSGESAMT	TOTAL CASH FLOW	-398.238,27	-1.575.550,79
V. VERÄNDERUNG DER LIQUIDEN MITTEL	CHANGE IN LIQUID FUNDS		
Kasse, Bankguthaben 30.06.2006 (VJ 30.06.2005)	Cash on hand and in banking accounts 30.06.2006 (PY 30.06.2005)	2.601.765,71	901.463,25
Kasse, Bankguthaben 01.07.2005 (VJ 01.07.2004)	Cash on hand and in banking accounts 01.07.2005 (PY 01.07.2004)	3.000.003,98	2.601.765,71
		-398.238,27	-1.700.302,46
kurzfr. Bankverbindlichkeiten 30.06.2006 (VJ 30.06.2005)	Short-term liabilities due to banks 30.06.2006 (PY 30.06.2005)	0,00	-124.751,67
kurzfr. Bankverbindlichkeiten 01.07.2005 (VJ 01.07.2004)	Short-term liabilities due to banks 01.07.2005 (PY 01.07.2004)	0,00	0,00
		0,00	124.751,67
Veränderung der liquiden Mittel	Change in liquid funds	-398.238,27	-1.575.550,79

Annex FORTEC Elektronik AG for Business Year 2005/06

1) General Information

The year's report of FORTEC Elektronik AG for BY 2005/06 is made according to the regulations of Handelsgesetzbuch (HGB) and the Aktiengesetz (AktG).

FORTEC Elektronik AG issues a group's final report in accordance with § 315 a of HGB and the current valid regulations of International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as recommended in the EU.

Besides the parent company, this group report includes the German subsidiaries of Blum Stromversorgungen GmbH/Thannhausen, Emtron electronics GmbH/ Nauheim, Rotec technology GmbH/Rastatt and nbn Systemkomponenten / Herrsching as well as the Swiss Altrac AG/Dietikon. The reports of each subsidiary are dated at the day of issue of the group's report.

In case the information of the annex is only necessary according to German accounting rules, the information given is to be considered in addition to regulations IFRS.

The detailed information of the mutual annex refer – if not otherwise mentioned – to the report of FORTEC Elektronik AG alone as well as to the group's report (according to § 298 clause 3 HGB).

The year's report of the FORTEC AG as well as that of the group was issued in EUR.

The consolidated balance sheet as well as the income statement is made according to total cost procedure.

For more clear understanding, some items in the consolidated balance sheet and in the income statement as well as in the balance are summarized; they are explained in detail in the annex.

2) Balancing and Evaluation Principles.

The assets are calculated according to purchase cost minimized by the accumulated depreciation according to benchmark-method (IAS 16.29). The assets are depreciated according to plan for the mentioned period. This period is said to be 15 years for company values, for software 3-5 years, for vehicles 3-6 years, for tools and equipment 4 years, for office equipment 3-5 years and for other company and business equipment 4 -10 years. Costs of repair are calculated according to FORTEC Elektronik AG's expense. At day of balance,. the achieved proceeds from the equipment assets were not below the book value. As depreciation method, only linear depreciation is used.

Simple depreciation according to FORTEC Elektronik AG regulations is made for incomes during first half of fiscal year up to a full year's amount and for income during the second half of fiscal year up to half of the year's amount. The usual depreciation of goodwill upon capital consolidation is omitted; same as in fiscal year 2004/05 a yearly impairment test according to IAS 36 will be done.

The **financial assets** are evaluated to purchase costs in the group's balance. Not only temporary value reductions of financial investments are successfully added.

The **stocks/inventories assets** are evaluated to purchase costs plus additional costs and minus discount. As concerns price alterations, only mixed prices are changed accordingly. Therefore, the average method (IAS 2.21) was used; the lowest value principle was observed. If the net sales value was below purchase cost, the lower net sales value was used. (IAS 2.6).

Accounts receivables from deliveries, service and others are evaluated as to their nominal amount. Necessary value corrections were done right away. Individual debtors risks were evaluated separately.

The evaluation of **fluid assets** is done by their net value.

Taken into consideration and with necessary caution, **accruals** which the company might have to deal with, were not made. It was not required to calculate interest. Therefore, no explanation according to § 285 No. 12 HBG is necessary.

FORTEC Elektronik AG and its group did not need to make **pension reserves**.

Obligations/liabilities with return payment were made. As per balance day, there were no obligations having a remaining period of more than 5 years. The obligations are assured accordingly.

Deferred taxes were made as concerns the group's result according to IAS. Achieved higher taxes and the different tax amount will be reduced in future business years. When making reserves for taxes (IAS 12), the future average tax amount (KSt, SolZ and GewSt) was calculated by 38 % (prev.year 38%). Balancing of tax return claims and tax debts according to IAS 12.71 was not made.

Currency exchange rates as per balance day were made at daily rate in the individual balance of FORTEC Elektronik AG if not lower than at purchase date. At groups' balance all considerable balance data – based on exchange rates – were calculated at daily rate of the balance day although being higher than purchase cost and results successfully – contrary to HGB – recorded (IAS 21.11 and IAS 21.15)

The year's result of the Swiss company Altrac AG is made and calculated according to IAS 21 at present valid currency in EUR. The valid currency of Altrac is the country's currency, as the company undertakes independent business in financial, economic and organising aspect. Therefore, assets and debts will be calculated at currency exchange rate at balance day; other costs and revenues at annual average exchange rate.

In the group's balance, **expenses/investment reserves** according to IAS/IFRS were not made.

Returns/revenues – whenever payment date was – were recorded (IAS 18.14). They will be evaluated according to their date for payment (IAS 18.9); taxes will be calculated proportionally at time (IAS 18.30).

Other capital costs made during business year were recorded as expense (IAS 23.7).

The **regulations of the definitions** have been changed compared to last year. The formation of the group's balance was done by maturity for the first time. Short-term are considered assets and debts if due within one year. Accounts receivables and liabilities from deliveries and services as well as inventories are to be considered in principle as short-term items. Deferred taxes and/or liabilities thereof are strictly long-term. Previous year's information was adjusted accordingly.

3) Consolidation circle

The group's balance is made by FORTEC Elektronik AG together with three active national and one non-active company as well as one foreign company having the majority of votes. Thus all subsidiaries were consolidated (IAS 27.11). As FORTEC Elektronik AG holding the entire capital of all subsidiaries, there are no minority shares. The most important figures according to IAS/IFRS of the relevant companies are shown in the following chart as per 30.06.2006:

	FORTEC AG	Blum SV GmbH	Emtron GmbH	Rotec GmbH	Altrac AG
	TEuro				
Turnover	33.776	856	6.264	1.441	4.411
Company result (EBIT)	1.807	29	374	143	147
Financial result	20	-6	-14	-8	12
Taxes	698	8	147	2	40
Year's earning (as per IAS/IFRS)	1.129	14	213	132	119

According to law and regulations, separate balances are sent to local register courts.

Participation figures of the results of all group members are to be seen in the following:

	Blum SV GmbH Thannhausen	Emtron electronic GmbH Nauheim	ROTEC GmbH Rastatt	nbn GmbH Herrsching	Altrac AG Dietikon (CH)
Goodwill (IAS) (€)	69.339	167.146	0	991.105	3.600.487
Nominal value of participation (€)	250.000	250.000	250.000	250.000	160.000
Economic equity capital (€)	333.649	546.636	238.349	447.394	1.383.134
Annual result 2005/06	14.459	212.547	131.932	74.530	119.183
Capital-/Shareholders %	100,00%	100,00%	100,00%	100,00%	100,00%
Tax status					
sales/purchase tax	yes	yes	yes	yes	no
trade income tax	no	no	no	no	no
corporate income tax	no	no	no	no	no
Acquisitioon	17.12.1992	17.12.1998	02.07.2003*	01.01.2004	30.08.2000

*Note: Rotec technology GmbH was founded by FORTEC AG on 2.7.2003.

The day of issue of all separate reports of all group members/subsidiaries is date of the group's report (30.06.2006).

Altrac AG made its annual report in Swiss Franks. The year's result as per 30.06.2006 is converted in EUR according to IAS 21 and the concept of functional currency.

At balance day, FORTEC holds 25% of the capital stock of Advantec Electronics B.V. Oudenbosch (NL). The company is no subsidiary in terms of par. 290 sec. 2 HGB and/or IAS27.13, as there is no command/control function. Besides Advantec Electronics B.V. is no associated company according to IAS 28.3 i.V.m. IAS 28.5, as the indication catalogue of IAS 28.5 is not relevant.

4) Consolidation basics

According to law and regulations, the reports of each company were issued for completion of the group's report in accordance with the valid balancing and evaluation methods of FORTEC Elektronik AG and/or appropriately adapted for consolidation. (IAS27.22).

Accounts receivables and liabilities within the group were eliminated; hand in hand with successful consolidation, all internal sales and revenues/returns were set against costs and purchases (IA'S 27I.24 and 25).

5) Capital consolidation

The capital consolidation was made according to IFRS 3 and the benchmark method. Settlement of “fair values” was done with same own capital of each subsidiary of the group’s financial statement at date of purchase. IFRS 3 is observed – first time for BY 2005/06 taking into consideration the temporary rules and regulations, as all company acquisitions were completed before 31.03.2004.

The difference sum of Blum Stromversorgungen GmbH (formerly Microscan Vertriebs GmbH and Powertrade GmbH) accumulates completely towards goodwill because the time values of the acquired values and debts are in conformity with the relevant book values. At Emtron electronic GmbH, the difference sum accumulates to “quiet” reserves at capital assets – namely on corporate income tax and goodwill. At Altrac AG and nbn GmbH there are “quiet” reserves in acquired values and in goodwill.

The differences from capital consolidation – if not applicable to “quiet” reserves – are defined as goodwill in the acquired assets. Goodwill is noted as assets and checked yearly by impairment test. Every reduction in value is immediately and successfully noted.

Detailed information as to balancing items

6) Capital assets

The development of assets at historical purchase costs and the depreciation of the business year of FORTEC Elektronik AG and the group are to be seen in the following ***consolidated gross fixed assets movement***:

	<u>Purchase costs</u>				<u>Depreciations</u>				<u>Book value</u>	
	Balance on 01.07.2005	Additions 2005/2006	Retirements 2005/2006	Balance on 30.06.2006	Balance on 01.07.2005	Additions 2005/2006	Retirements 2005/2006	Balance on 30.06.2006	Balance on 01.07.2005	Balance on 30.06.2006
Intangible Assets										
- Software	240.712,94	29.541,34	54.398,91	215.855,37	200.672,94	32.273,34	54.391,91	178.554,37	40.040,00	37.301,00
Total intangible assets	240.712,94	29.541,34	54.398,91	215.855,37	200.672,94	32.273,34	54.391,91	178.554,37	40.040,00	37.301,00
Tangible Assets										
- Vehicles	237.666,57	57.341,42	21.193,31	273.814,68	178.898,57	29.774,42	16.761,31	191.911,68	58.768,00	81.903,00
- Tools	38.024,68	5.764,66	0,00	43.789,34	27.414,68	8.717,66	0,00	36.132,34	10.610,00	7.657,00
- Office furniture	237.353,98	24.319,48	7.543,29	254.130,17	181.604,98	38.974,48	7.535,29	213.044,17	55.749,00	41.086,00
- Office - / plant- equipment	136.391,93	5.266,13	2.955,27	138.702,79	97.217,93	9.637,13	2.953,27	103.901,79	39.174,00	34.801,00
- Low-value items	7,00	0,00	0,00	7,00	0,00	0,00	0,00	0,00	7,00	7,00
- low value items 2005/2006	0,00	6.039,41	6.038,41	1,00	0,00	6.038,41	6.038,41	0,00	0,00	1,00
Total tangible assets	649.444,16	98.731,10	37.730,28	710.444,98	485.136,16	93.142,10	33.288,28	544.989,98	164.308,00	165.455,00
Tangible and intangible assets	890.157,10	128.272,44	92.129,19	926.300,35	685.809,10	125.415,44	87.680,19	723.544,35	204.348,00	202.756,00
Financial Assets										
- investments to related companies	7.699.030,02	0,00	0,00	7.699.030,02	2.084.064,59	0,00	0,00	2.084.064,59	5.614.965,43	5.614.965,43
- participations	8.187,46	0,00	0,00	8.187,46	8.186,46	0,00	0,00	8.186,46	1,00	1,00
- bonds	605.540,00	174.800,00	594.490,00	185.850,00	0,00	0,00	0,00	0,00	605.540,00	185.850,00
Total financial assets	8.312.757,48	174.800,00	594.490,00	7.893.067,48	2.092.251,05	0,00	0,00	2.092.251,05	6.220.506,43	5.800.816,43
T O T A L A S S E T S	9.202.914,58	303.072,44	686.619,19	8.819.367,83	2.778.060,15	125.415,44	87.680,19	2.815.795,40	6.424.854,43	6.003.572,43

The assets of FORTEC Elektronik AG contain participations at related companies in the amount of EUR 5.614.965,43. Please see further details under no. 3).

Intangible and tangible assets are reduced to purchase costs for in-time depreciation. Exclusively linear depreciations were made. Low-cost sales items will be depreciated linearly over 5 years in the group's report. In FORTEC's report, a simplification of the value for low-cost items is done.

Depreciations on intangible as well as tangible assets are considered in the **consolidated income statement** under no. 6 a) Depreciation tangible assets (IAS 38.118 (d)).

In the **consolidated gross fixed assets movement** an additional column "currency exchange rates" was added. Here differences in assets of Altrac AG are listed, based on exchange differences at balance day of this independent acting foreign company.

The exchange rate difference of goodwill in the amount of EUR 33.618,03 is based on the exchange rate reduction of the Swiss Frank compared to last year. Due to impairment tests, there are no extraordinary depreciations on goodwill necessary for the group's report in BY 2005/06.

As per 30.06.2006 there are EUR 189.001, -- financial assets noted in capital assets. These are the 25% of Advantec Electronics B.V., Oudembosch (NL) amounting to EUR 8.187,46. This amount has already been depreciated last year based on economic caution together with financial bonds of EUR 189.000,-- marketed at the stock exchange. The group's value was fixed at currency exchange rate at balance day. In accordance with HGB, the purchase costs were considered in FORTEC's report.

7) Stocks/inventories

Stock assets are noted together with purchase costs taken into consideration the purchase related extra costs and average prices. If necessary, depreciation was made on the lower value – which is the net sales value. In case – according to HGB – a reduction in the reports towards the lower current replacement value is to be made, then – if net sales value is higher - this will be revised in the group's report. All foreseen risks have been taken into consideration by relevant reductions. Inventories have been reduced to the lower net sales value (EUR 313.985,--) by EUR 455.619,--. Mainly these are reductions of non-RoHS conform goods. The evaluation of stocks/inventories is according to IAS 2.

The stocks/inventories value in the group's report amounts to EUR 4.970862,79 (prev. year EUR 4.967.108,39).

8) Accounts receivables from deliveries and service and other

These accounts receivables are as follows:

	Group 30.06.2005	Group 30.06.2006
Deliveries and service	3.902.579,30	7.924.870,36
other accounts receivables	210.677,04	651.340,28
TOTAL accounts receivables	4.113.256,34	8.576.210,64

As concerns these receivables, all foreseen risks were eliminated by corrections of each value item as well as all of them. Global value corrections in separate company reports contained in the group's report were cancelled.

Other accounts receivables in the group's report as well as in FORTEC Elektronik AG's report in the amount of EUR 8.048,76 (prev. year EUR 8.868,76) have a remaining maturity of more than one year. All others have a remaining term of less than one year. Accounts receivables of more than 5 years do not exist. Further and other receivables in the group are active invoicing (EUR 109.292,28), other assets (EUR 540.647,--) as well as accounts receivables against companies with which a share-ownership ratio exists (EUR 1.401,--).

In FORTEC's report, there are accounts receivables towards related companies in the amount of EUR 721.217,15 (prev. year EUR 1.805.800,71).

9) Securities /bonds

In business year, shares of convertible bonds were purchased. Evaluation was made according to HGB.

According to IAS 39, classification was made as "available for sale". Evaluation as per balance day was made at "fair value". Difference to purchase cost at balance day was put as neutral in other accruals.

10) Cash-on-hand/bank accounts

Cash-on-hand and payment measures are as follows:

	Group 30.06.2005	Group 30.06.2006
Cash-on-hand	6.294,09	7.228,04
Bank credit and post giro	2.590.406,56	890.401,51
cheque credit	3.887,16	2.299,99
postage machine	1.164,38	1.533,70
other payment means	2.601.752,19	901.463,25

Credits at banks which are in US-\$ or Japanese Yen were evaluated according to IAS 21.23 (a) at the middle exchange rate valid at balance day. Bank credits in other currencies do not exist

The mentioned value of the liquid means equals market value.

All payment means can be disposed of without restriction.

11) Accruals and deferred items

These are prepaid insurance contributions, licence fees, rent prepayments and IHK fees as well as other payments.

Totals are included in the group's result under "Other assets" amounting to EUR 109.292,28 (see no. 8).

12) Active deferred taxes

The evaluation of deferred taxes is made according to the "temporary concept" of the IAS 12 in view of limited balance as well as evaluation differences of the related companies as well as in regard of result-effective consolidation measures.

The corporate income tax credit account of FORTEC AG (EUR 197.421,--) is mentioned.

13) Capital stock

The capital stock of FORTEC Elektronik AG amounts to EUR 2.700.000,--. The companies' shares are divided into 2.700.000,-- non-value shares (no. 577410/ISIN DE 0005774103).

On occasion of the annual general meeting of December 12, 1996, the board of directors was entitled to release options shares on FORTEC Elektronik AG until 1.12.2001 for 10 years without giving any option debts.

In business year 1998/99 the capital was entirely used to assure the option rights. The price is EUR 45,-- (before share split) per share as option right. The given shares are now valid until 15 March 2007 if the opening exchange rate of FORTEC Elektronik AG share will now be above EUR 15,-- at least 10 trade days before 22 January. If during these 10 days the average rate will not exceed EUR 15,- then the share prolongs one more year according to a/m regulations until 15 March 2008 at the latest.

At the annual general meeting of 14 Dec. 2000 the board of directors was entitled – in agreement with the committee and the members of the board – to release one-time or else up to 90.000 option rights to employees/worker of related companies, board members and members of the management of related companies.

On November 15, 2004, 40.000 option shares at a basis price of EUR 24,22 were handed out. The option rights may be exercised during the period November 16, 2006 until November 15, 2007. The group registers this transaction linearly time-wise and based on the best-possible board's judgement as concerns the probable share development up to the earliest possible exercise-date of the option shares. IFRS 2 is observed accordingly.

At annual general meeting of 15th December 2005 and in view of the share-split, decision was made that the option shares handed-out now refer to three new shares. Same applies to shares given to employees and members of the board of managers of the company as well as of related companies according to employees' participation plan 2000. As per validity of share split (01.06.2006), the certificate for one "old" share now means three shares.

14) Company capital.

The groups' capital during reported period is as follows.

	Company Capital stock EUR	Capital Reserves EUR	Development of reserve & accumulated profit EUR	TOTAL EUR
Balance per 01.07.2005	2.700.000,00	5.359.521,59	5.504.740,05	13.564.261,64
Share option program		295.000,00	0,00	295.000,00
Exchange rate differences			-45.611,78	-45.611,78
Exchange bond rates			-17.990,00	-17.990,00
Dividend			-810.000,00	-810.000,00
Year's earnings			1.680.684,52	1.680.684,52
Balance per 30.06.2006	2.700.000,00	5.654.521,59	6.311.822,79	14.666.344,38
Not transferable				
- according to § 150 AktG		5.654.521,59		
- according to § 47 AktG	2.700.000,00			

The surplus in capital stock results from the share options' program (see no. 12)

The negative amount to the market evaluation reserves is the evaluation at d-day of the financial instruments (bonds) to be found under "available for sale" and these changes in value were included according to IAS 39.55 (b).

15) Reserves

Reserves within the group are as follows:

	Balance on: 01.07.2005	Consumption 2005/2006	Dissolution 2005/2006	Addition 2005/2006	Balance on: 30.06.2006
Accrued taxes	513.020,96	451.523,78	0,00	228.641,35	290.138,53
other accruals	1.819.609,91	895.914,18	231.964,91	1.320.295,66	2.012.026,48
	2.332.630,87	1.347.437,96	231.964,91	1.548.937,01	2.302.165,01

This year, accruals for taxes are EUR 228.641,35.

Other accruals were listed according to IAS 37 in consideration of all foreseeable liabilities with their scheduled maturity. If necessary, interest will be discounted.

Therefore, short-term reserves of EUR 2.122.475,01 and long-term reserves of EUR 179.690,-- are registered. Reimbursements are not expected.

16) Liabilities

Liabilities are as follows:

	Group 30.06.2005	Group 30.06.2006
Liabilities against credit institutions	0,00	124.751,67
Liabilities from deliveries and service	1.478.401,05	2.655.248,94
Other liabilities	502.005,64	409.542,50
TOTAL Liabilities	1.980.406,69	3.189.543,11

Evaluation of the liabilities was made at their payment amounts.

Liabilities of more than 5 years are not listed. All liabilities have a maturity of less than 1 year.

In FORTEC's report at 30.06.2006 liabilities against related companies are EUR 1.304.753,58 (prev. year EUR 1.153.516,11).

17) Passive deferred taxes

The defining of deferred taxes is done according to the “temporary-concept” of IAS 12 as regards balancing differences and evaluation differences as well as consolidation measures of the related group members.

Calculation of passive deferred taxes (IAS 12) is based upon the average company income tax (church tax, social Fee and trade income tax) of 38 % (prev.year 38%). Calculating deferred tax on profits of Altrac AG (CH), an income tax rate of 25% was taken.

18) Contingent liabilities

At balance day, there are no contingent liabilities.

Detailed information as to consolidated income statement

19) Sales revenue

The group’ turnover amounts to EUR 45.280.464,87 (prev.year EUR 34.823.714,22) and broke down to geographical segments is as follows:

Sales revenue of group	Embedded Solutions
	Euro
Germany	36.393.000
<i>previous year Germany</i>	27.801.000
Europe	8.887.000
<i>previous year Europe</i>	7.022.000
TOTAL	45.280.000
<i>previous year total</i>	34.823.000

Group internal revenues were eliminated in line with consolidation (IAS 27.24).

20) Changes in stock of unfinished/finished goods

This means the reduce in stock of unfinished/finished goods of Rotec technology GmbH amounting to EUR 35.234,00 (prev. year EUR 22.930,--).

21) Other company revenues

	Group 2004/2005	Group 2005/2006
Other regular revenues	245.901,46	150.907,45
Revenues of asset retirements	20.071,33	250.972,56
Reduction correction of single value	0,00	9.770,00
Release of accruals	258.884,53	231.965,41
Other revenues in line with ordinary business activity	390.336,65	845.512,13
Revenues from capital assets, stocks, inventories, accounts receivables and other tangible and intangible assets and bank accounts	32.330,00	0,00
TOTAL other company revenues	947.523,97	1.489.127,55

In general, other regular revenues are benefits to employees amounting to EUR 78.972,25 (prev.year EUR 91.106,57)

Revenues from asset retirements in the group amount to EUR 250.972,56 (prev.year EUR 20.071,33) and are mainly proceeds from sale of bonds, which were listed to the asset retirement and amount to EUR 245.388,35 (prev.year EUR 0,00).

In the context of ordinary business activities, mainly revenues are recorded from sales of bonds of fixed capital of EUR 246.158,95 (prev.year EUR 0,00), from exchange rate differences of EUR 173.391,06 (prev.year EUR 173.840,37) and other claims in the amount of EUR 405.566,26 (prev.year EUR 83.232,55).

22) Purchases

Purchases within the group were eliminated.

23) Personnel

Expenses for personnel are as follows:

	2004/2005	2005/2006
Salaries and wages	3.754.043,19	3.827.679,94
Social costs and contributions to retirement	654.517,03	672.449,35
TOTAL Costs Personnel	4.408.560,22	4.500.129,29

Costs personnel 2005/06 include additions to share option program of 15.11.2004 amounting to EUR 295.000,00 (prev.year EUR 270.000,--).

24) Depreciation

Depreciation in business year is as follows:

	Group 2004/2005	Group 2005/2006
Intangible assets	95.162,96	51.296,29
Tangible assets and low-value items	184.749,98	191.414,91
Other depreciation	279.912,94	242.711,20
Depreciation circulating assets	54.999,00	15.000,00
	334.911,94	257.711,20
Depreciation financial assets	8.186,46	0,00
T O T A L depreciation	343.098,40	257.711,20

Depreciation on goodwill from capital consolidation was made up to 30.06.2004 regularly during 15 years. Since BY 2004/05 value examination is made exclusively by impairment test. After that, no decrease in value as per 30.06.2006 was necessary.

25) Other company costs and expenses

Other company costs and expenses are as follows:

	Group 2004/2005	Group 2005/2006
Office rent	451.135,32	474.858,77
Insurances, contributions	139.386,16	141.514,50
Repairs, maintenance	40.279,12	23.140,77
Vehicles	192.553,72	151.062,19
Advertising and travel expenses	397.634,74	336.312,28
Costs of delivery of goods	709.678,89	695.708,57
misc. company costs/expenses	729.338,64	727.350,23
Loss from asset retirements	2.015,24	4.461,00
Loss UV and value corrections	24.341,37	33.547,47
other expenses in line with ordinary business activities	158.251,21	318.176,90
TOTAL other company costs/expenses	2.844.614,41	2.906.132,68

Under "other expenses in line with ordinary business activities" are differences in currency exchange rates amounting to EUR 318.086,90 (prev.year EUR 158.101,20) and are calculated based on payments made during relevant business year.

26) Other interest and similar receipts

No interest is mentioned which relate to financial assets.

27) Taxes on income and revenue

The group's report record corporate income tax, social fee and trade income tax as well as income tax according to Swiss law of obligations

	Group 2004/2005	Group 2005/2006
Tax payments current BY	1.079.011,55	1.387.519,36
Tax payments previous years	7.571,44	15.105,57
Tax reimbursement	- 117.938,69	- 279.841,35
Build provision for taxation	500.718,87	228.641,35
Use provision for taxation	- 330.926,28	- 451.523,78
Cancel provision for taxation	- 32.886,74	-
Deferred taxes	28.188,00	33.972,67
T O T A L tax expenses	1.133.738,15	933.873,82

The group's tax expenses are 36,3 % (prev.year 41,8%).

28) Segment report

The company distributes semiconductors, electronical equipment, display technics, embedded computers, power supplies and IPC-systems. These products are marketed under the term Embedded Solutions. Therefore, it is possible to divide figures into report segments of geographical aspects according to IAS 14.

	Germany TEuro	Europe TEuro	T O T A L TEuro
Turnover	36.394	8.887	45.281
<i>previous year</i>	27.802	7.022	34.824
Year's result	1.341	295	1.636
<i>previous year</i>	1.275	280	1.555
Depreciation Tangible/Intangible assets	207	36	243
<i>previous year</i>	252	28	280
Asset value segment capital/property	18.113	2.305	20.418
<i>previous year</i>	15.996	2.109	18.105
Debts	4.830	922	5.752
<i>Previous year</i>	17.273	832	18.105
Investments	246	50	296
<i>previous year</i>	243	34	277

In Europe turnover amounted to 8,9 million EUR (prev.year 7,0 million EUR). Considerable turnover is achieved by the subsidiary Altrac AG in Switzerland in the amount of 4,4 million EUR (prev.year 4,1 million). Foreign profit share amounts to 0,3 million EUR (prev.year 0,2 million EUR) of which Altrac is 0,1 million EUR (prev.year 0,2 million EUR). The foreign assets (value Altrac) amount to 1,4 million EUR (prev. year 2,1 million EUR); the foreign debts to 0,9 million EUR (prev. year 0,8 million EUR). Foreign investments of 0,05 million EUR (prev.year 0,03 million EUR) were made.

29) Currency exchange rates

A total of EUR – 45.611,78 of differences in exchange rate were listed and are as follows:

Balance per 01.07.2005	-28.572,73
Addition 2005/2006	-45.611,78
Balance per 30.06.2006	-74.184,51

30) Comments to consolidated cash-flow statement

The consolidated cash flow statement is issued according to the indirect method (IAS 7.18 (b)) and separates into cash-flow operative business, investments and financial business (IAS 7.10).

Financial means (liquid) are cash-on-hand and bank accounts - details explained under no. 10. Due to the changes in currency exchange rate, there is a higher financial fond according to IAS (IAS 7.28) of approx. EUR 14.500,--during this financial year.

Cash flow operative business amounting to EUR –1.467.500,58 (prev.year EUR 822.648,12) includes interest receipts of EUR44.917,51 (prev.year EUR 36.246,77) and interest payments of EUR24.648,07 (prev.year EUR 6.127,95) (IAS 7.31).

Cash flow operative business also lists payments of income tax (IAS 7.35) of EUR 1.40.624,93 (prev.year EUR 1.086.582,99)

31)Executive Board

Sole member of the executive board is Dieter Fischer.

According to par. 286 clause 4 HGB the total remunerations are not to be indicated because the new edition of § 286 clause 4 and clause 5 HGB is relevant as per Vorstandsvergütungs-Offenlegungsgesetz (VorstOG) dated 03.08.2005 (BGBl. I, S 2267) only for business years which start after 31st December 2005 (Art. 59 EGHGB).

32) Supervisory Board

Members of the supervisory board are.

Michael Höfer (board manager), Steingarden, Portfolio-manager
Volker Gräbner (labour representative), Hamburg, Sales Manager
Helmut Nentwich, Burgdorf, Bank specialist

In current fiscal year, the total revenues of the supervisory board members amount to 22.500,00 same as in previous year.

Besides, board manager Höfer is also member of the following committees:

Konsortium AG, Augsburg
Value-Holding AG, Augsburg
Lone Star AG, Augsburg
Möbel Grennrich AG, Gräfelfing
Karwendelbach AG, Mittenwald

33) Business with other persons

The board manager's wife, Mrs Maria Fischer is working as lawyer for the company and representing it. Mrs Fischer balances accounts according to RVG. During BY 2005/06 EUR 8.500,20 were paid to Mrs Fischer and recorded accordingly.

34) Benefits to persons in management key-positions

For the managing director of the national subsidiaries and the board manager of FORTEC AG as well as the administration board members of Altrac AG, Switzerland, the following expenses were realized:

	2005/2006
	in TEuro
Short-term payments to employees	774
Expenses in line with termination of working contracts	18
Benefits based on share	295
	1.087

35) Renumeration of auditor

For services rendered for group's annual report by auditor, Dipl.-Kfm. Manfred Krautkrämer, Wirtschaftsprüfer, the following remuneration for BY 2005/2006 was made:

	2005/2006
	in TEuro
Audits of annual financial statement	96
General expenses tax consultant	17
	113

The remuneration for annual audit include the fees for the group's annual report as well as those of FORTEC Elektronik AG and its national subsidiaries.

36) Miscellaneous

At balance day, there are group leasing obligations of only minor economic importance.

During fiscal year, development costs at the subsidiary Rotec technology GmbH were EUR 71.000-- ; in terms of commercial law, these costs were activated in the reserve assets under single and general costs as well as overall administrations costs surplus. According to IAS 2.13 (Activating interdiction), the general administration costs have been deducted.

During business year FORTEC Elektronik AG employed an average of 52 persons (prev.year 53) and 2 temporary helps (prev.year 3). The group employs an average of 74 persons (prev.year 72).

There were no changes between balance day of June 30, 2006 and the day when balance was published which need to be corrected as to any values or debts (IAS 10.23).

According to § 161 AktG the board has made the required explanation to use the Corporate Governance Codex and reported to the auctioneers. (§285 No. 16 resp. 314(1) No. 8 HGB).

The board of managers suggests a dividend in the total amount of EUR 810.000,-- same as last year (IAS (1.125 (a)). Distribution right is given to a total of 2.700.000 shares of 0,30 EUR each (prev.year before share split: 900.000 shares of 0,90 EUR each).

During BY 2005/06 the company published one Ad-hoc Announcement according to § 15 WpHG (results of BY 2004/05) and one notification according to § 15 a WpHG (notifiable sales of bonds).

37) Release for publication

The annual business statement was issued September 21, 2005 and released by the board of directors. (IAS 10.16).

Aufstellung über die Eigenkapitalveränderung 2005/2006 (mit Vorjahr)

	Gezeichnetes Kapital	Kapital- rücklage	Währungs- umrechnungs- differenzen	sonstige Rücklagen		Gesamt
				Marktbewertungs- rücklage	Gewinnrücklage/ Gewinnvortrag	
	Euro	Euro	Euro	Euro	Euro	Euro
Stand 30.06.2004	2.700.000,00	5.089.521,59	-2.139,52	0,00	4.653.098,86	12.440.480,93
Nicht ergebniswirksame Eigenkapitalveränderungen 2004/2005						
Ausgleichsposten aus der Währungs- umrechnung ausländischer Tochtergesellschaften			-26.433,21			-26.433,21
Dividendenzahlungen					-675.000,00	-675.000,00
	0,00	0,00	-26.433,21	0,00	-675.000,00	-701.433,21
Ergebniswirksame Eigenkapitalveränderungen 2004/2005						
Aktienoptionsprogramm		270.000,00				270.000,00
Konzernergebnis 2004/2005					1.555.213,92	1.555.213,92
	0,00	270.000,00	0,00	0,00	1.555.213,92	1.825.213,92
Stand 30.06.2005	2.700.000,00	5.359.521,59	-28.572,73	0,00	5.533.312,78	13.564.261,64
Nicht ergebniswirksame Eigenkapitalveränderungen 2005/2006						
Veränderung des beizulegenden Wertes aus der Marktbewertung von Wertpapieren				-17.990,00		-17.990,00
Ausgleichsposten aus der Währungs- umrechnung ausländischer Tochtergesellschaften			-45.611,78			-45.611,78
Dividendenzahlungen					-810.000,00	-810.000,00
	0,00	0,00	-45.611,78	-17.990,00	-810.000,00	-873.601,78
Ergebniswirksame Eigenkapitalveränderungen 2005/2006						
Aktienoptionsprogramm		295.000,00				295.000,00
Konzernergebnis 2005/2006					1.680.684,52	1.680.684,52
	0,00	295.000,00	0,00	0,00	1.680.684,52	1.975.684,52
Stand 30.06.2006	2.700.000,00	5.654.521,59	-74.184,51	-17.990,00	6.403.997,30	14.666.344,38

KONZERN-BRUTTOANLAGESPIEGEL

CONSOLIDATED GROSS FIXED ASSETS MOVEMENTS

		<u>Historische Anschaffungskosten</u>					<u>Abschreibungen</u>					<u>Buchwerte</u>	
		<u>Purchase costs</u>					<u>Depreciation</u>					<u>Net book value</u>	
		Stand am Balance on 01.07.2005	Zugänge Additions 2005/2006	Abgänge Retirements 2005/2006	WK-Diff. Exchange Difference	Stand am Balance on 30.06.2006	Stand am Balance on 01.07.2005	Zugänge Additions 2005/2006	Abgänge Retirements 2005/2006	WK-Diff. Exchange Difference	Stand am Balance on 30.06.2006	Stand am Balance on 01.07.2005	Stand am Balance on 30.06.2006
Immaterielle Vermögensgegenstände	Intangible assets												
- Software	- Software	323.632,44	69.505,14	54.398,91	-743,28	337.995,39	267.881,45	42.012,10	54.391,91	-697,10	254.804,54	55.750,99	83.190,85
- Derivativer Firmenwert	- Acquired goodwill	270.984,70	0,00	0,00	0,00	270.984,70	261.679,70	9.304,00	0,00	0,00	270.983,70	9.304,99	1,00
- Goodwill	- Goodwill	6.250.603,90	0,00	0,00	-33.618,03	6.216.985,87	1.487.478,41	0,00	0,00	0,00	1.487.478,41	4.763.125,50	4.729.507,46
Summe Immaterielle VGG	Total intangible assets	6.845.221,04	69.505,14	54.398,91	-34.361,31	6.825.965,96	2.017.039,56	51.316,10	54.391,91	-697,10	2.013.266,65	4.828.181,48	4.812.699,31
Sachanlagen	Tangible assets												
- Grundstücke	- Property	253.375,00	0,00	0,00	0,00	253.375,00	0,00	0,00	0,00	0,00	0,00	253.375,00	253.375,00
- Gebäude	- Plant, Buildings	159.041,12	0,00	0,00	0,00	159.041,12	9.998,12	8.089,00	0,00	0,00	18.087,12	149.043,00	140.954,00
- Fahrzeuge	- Vehicles	403.989,55	100.381,53	31.860,39	-754,77	471.755,92	280.225,42	70.585,02	27.427,39	-788,76	322.594,29	123.764,12	149.161,63
- Werkzeuge	- Small tools	38.024,68	5.764,66	0,00	0,00	43.789,34	27.414,68	8.717,66	0,00	0,00	36.132,34	10.610,00	7.657,00
- technische Anlagen/Maschl	- plant, machinery	7.673,47	792,30	0,00	0,00	8.465,77	1.447,47	2.020,30	0,00	0,00	3.467,77	6.226,00	4.998,00
- Büroeinrichtung	- Office furnishings	784.784,87	52.455,39	30.471,25	-4.526,92	802.242,09	682.355,25	66.812,32	30.450,25	-4.399,92	714.317,41	102.429,62	87.924,68
- Betriebs- und Geschäftsausstattung	- Office and plant equipment	239.082,78	6.694,56	2.955,27	-338,65	242.483,42	158.913,44	20.339,01	2.953,27	-326,60	175.972,58	80.169,34	66.510,84
- GWG Vorjahre	- Low-value items P.Y.	77.013,89	0,00	0,00	0,00	77.013,89	41.420,73	12.830,42	0,00	0,00	54.251,15	35.593,16	22.762,74
- GWG	- Low-value items	0,00	10.006,94	0,00	0,00	10.006,94	0,00	2.001,37	0,00	0,00	2.001,37	0,00	8.005,57
Summe Sachanlagen	Total tangible assets	1.962.985,36	176.095,38	65.286,91	-5.620,34	2.068.173,49	1.201.775,11	191.395,10	60.830,91	-5.515,27	1.326.824,03	761.210,25	741.349,46
Finanzanlagen	Financial assets	643.867,46	177.400,00	624.080,00	0,00	197.187,46	8.186,46	0,00	0,00	0,00	8.186,46	635.681,00	189.001,00
Summe Anlagevermögen	Total assets	9.452.073,86	423.000,52	743.765,82	-39.981,65	9.091.326,91	3.227.001,12	242.711,20	115.222,82	-6.212,37	3.348.277,14	6.225.072,73	5.743.049,77

Bestätigungsvermerk des Abschlussprüfers

Ich habe den von der Fortec Elektronik Aktiengesellschaft aufgestellten Konzernabschluss - bestehend aus Bilanz, Gewinn- und Verlustrechnung, Eigenkapitalveränderungsrechnung, Kapitalflussrechnung und Anhang – sowie den Konzernlagebericht für das Geschäftsjahr vom 1. Juli 2005 bis 30. Juni 2006 geprüft. Die Aufstellung von Konzernabschluss und Konzernlagebericht nach den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315 a Abs.1 HGB anzuwendenden handelsrechtlichen Vorschriften liegt in der Verantwortung des Vorstandes der Gesellschaft. Meine Aufgabe ist es, auf der Grundlage der von mir durchgeführten Prüfung eine Beurteilung über den Konzernabschluss und den Konzernlagebericht abzugeben.

Ich habe meine Konzernabschlussprüfung nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätzen ordnungsmäßiger Abschlussprüfung vorgenommen. Danach ist die Prüfung so zu planen und durchzuführen, dass Unrichtigkeiten und Verstöße, die sich auf die Darstellung des durch den Konzernabschluss unter Beachtung der anzuwendenden Rechnungslegungsvorschriften und durch den Konzernlagebericht vermittelten Bildes der Vermögens-, Finanz- und Ertragslage wesentlich auswirken, mit hinreichender Sicherheit erkannt werden. Bei der Festlegung der Prüfungshandlungen werden die Kenntnisse über die Geschäftstätigkeit und über das wirtschaftliche und rechtliche Umfeld des Konzerns sowie die Erwartungen über mögliche Fehler berücksichtigt. Im Rahmen der Prüfung werden die Wirksamkeit des rechnungslegungsbezogenen internen Kontrollsystems sowie Nachweise für die Angaben im Konzernabschluss und Konzernlagebericht überwiegend auf der Basis von Stichproben beurteilt. Die Prüfung umfasst die Beurteilung der Jahresabschlüsse der in den Konzernabschluss einbezogenen Unternehmen, der Abgrenzung des Konsolidierungskreises, der angewandten Bilanzierungs- und Konsolidierungsgrundsätze und der wesentlichen Einschätzungen der gesetzlichen Vertreter sowie die Würdigung der Gesamtdarstellung des Konzernabschlusses und des Konzernlageberichts. Ich bin der Auffassung, dass meine Prüfung eine hinreichend sichere Grundlage für meine Beurteilung bildet.

Meine Prüfung hat zu keinen Einwendungen geführt.

Nach meiner Beurteilung auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Konzernabschluss den IFRS, wie sie in der EU anzuwenden sind, und den ergänzend nach § 315 a Abs. 1 HGB anzuwendenden handelsrechtlichen Vorschriften und vermittelt er unter Beachtung dieser Regelungen ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage.

Der Konzernlagebericht steht im Einklang mit dem Konzernabschluss, vermittelt insgesamt ein zutreffendes Bild von der Lage des Konzerns und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar.

Krumbach, den 26.09.2006

Dipl.-Kfm. Manfred Krautkrämer
Wirtschaftsprüfer