

Annual Report 2011/2012

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Business Year July 01, 2011 – June 30, 2012

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FORTEC Elektronik AG

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Management Report 2011/2012

Business and Result

In BY 2011/12, the company's result of 47.8 million EUR again reached same level as previous year (47.5 million EUR) and thus considerably topped the turnover of 36 million EUR in BY 2009/10 which was difficult due to recession. Again results of successful business year 2007/08 - before start of financial and EUR-debt crisis - was even outnumbered by more than 10%.

After start of down-hill in the electronic industry in December 2008 – shortly after Lehmann scandal – we have seen the rock bottom of the biggest after-war recession in our country. However in BY 2010/11 an incomparable hunt for catch-up started influenced by two facts: On one hand and based on the investment impound in 2009, there was a pick-up effect in the investment industry leading to a partly high and above-average order income during fall 2010. On the other hand, advanced deliveries were pushed because of the insecurity of the industry as regards the steady deliveries of their Japanese sub-suppliers caused by the Fukushima effect in spring 2011. This is the reason why BY 2010/11 was the most successful during FORTEC's company history of over 25 years.

Since middle of year 2011, there was a slow-down in the rather hectic course of business. Altogether, the industry within the EUR zone slowed down in view of the strict saving measures of the countries-in-debt; the climate is frosty, the pressure on margins increased. After the export boom from mid 2010 to mid 2011, the customers' preference tented more to safe delivery ability than to price; yet now in BY 2011/12 a definite buyers' market developed again, thus leading all in all to a normal course of business.

Results

The result of usual business (EBIT) of 2.9 million EUR in BY 2011/12 was considerably below the 3.7 million EUR of previous year, mainly because of the lower margin as regards the increased price pressures at cost structure barely changed. In total, the result of operating business thus decreased by 1.8 % to 6% in BY 2011/12 compared to 7.8 % in BY 2010/11.

The group's total result amounts to 47.8 million EUR (prev.year 47.5 million EUR), whereas the costs of goods and material was 36.7 million EUR (prev.year 35.6 million EUR). The changed rate from 74.8 % in 2010/11 to 76.6 % in 2011/12 is caused by the increased price pressure. The change in the company's result is as follows: first, by the sales increase in the field of data visualisation of 1.0 million EUR (+5.3%) and second, by the sales decrease in the segment power supplies of 0.7 million EUR (-2.3%). Thus, these segments add up to the company's total result; 19.5 million EUR data visualisation and 28.3 million EUR power supplies.

The increase of costs of personnel from 5.4 million EUR to 5.6 million EUR is either due to more personnel as well as to some rises in salary. Compared to the total result, the costs in personnel raised by 0.3% from 11.4 (BY 2010/11) to 11.7% (BY 2011/12).

Other company expenses were reduced by savings from 3.9 million EUR to 3.6 million EUR – thus diminishing by approx. 0.5 %.

The course of business in BY 2011/12 with a EBIT of 2.9 million EUR normalised especially compared to the utmost pre-recession BY 2007/08 with its EBIT of 2.8 million EUR. The group's EBIT consists of 0.7 million EUR data visualisation (-24.6% compared to prev.year) and 2.2 million EUR power supply (- 21.4 % compared to prev. year).

Net income of BY 2011/12 decreased by approx. 0.5 million EUR to now 2.2 million EUR compared to BY 2010/11 and thus complies with the expectations given in last year's report. The profit margin reduced by 1.3 % from 5.9% (BY 2010/11) to 4.6 % (BY 2011/12).

The result per share reduced from 0.94 EUR last year to now 0.75 EUR. In view of the planned dividend payment of again 0.50 EUR per share; again this year, the payment was earned in operating business.

As to balancing 2011/12, we took all necessary steps again for any risks involved and carefully evaluated the assets.

Financial Situation and Assets

The financial situation is considered to be extraordinary and compared to companies of similar business model also persuades by an equity capital quota higher than above-average.

As concerns total assets at a balance sum of 27.7 million EUR, the long-term assets amounted to 4.5 million EUR. Therefore, the goodwill of 2.9 million EUR (same as last year) resulting from the acquisition of companies these last years is dominating – followed by assets/investments of 1.3 million EUR.

The value of short-terms assets remained same as last year and is still 9.6 million EUR; stock amounts to 34.7 % biggest item in balance (prev.year 35.4%); followed by cash-on-hand of 8.7 million EUR (prev.year 7.6 million EUR). Receivables resulting from deliveries and service amount to 4.8 million EUR (prev. year 5.1 million EUR) at balance issue date. Cash balance increased to 31.3% of balance sum compared to prev. year's result of 28%.

The company works on own capital only without any bank liabilities. Having a capital quota of 79 %, the company possesses sufficient own capital. Due to the actual cash-on-hand stock, it is possible to make major acquisitions. Definite focus is to further extend the group in Europe.

Cash-flow in operative business in BY 2011/12 was definitively positive by more than 2.8 million EUR (prev. year 0.9 million EUR) and clearly reveals the financial strength of the company.

With reference to “Consolidated Cash-flow Statement”, the cash-flow in operating business increased by 1.9 million EUR to 2.8 million EUR due to an unchanged stock value.

The cash-flow change of investments of – 0.2 million EUR (prev.year 1.1 million EUR) is a result from selling of financial assets last year resp. of investments to assets during business year.

Cash-flow from financing activities of -1.5 million EUR (prev.year -0.9 million EUR) includes payment of dividends.

In total, cash-flow of 1.1 million EUR remained same as last year (1.1 million EUR).

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. The AK Industriebeteiligungen GmbH, Norderfriedrichskog possesses 10% of the company's capital since 02.09.2003 and owns 513.336 shares as per 20.01.2007.

Appointment and dismissal of the board is in accordance with legal regulations (§§ 84, 85 AktG). The compensation of the management board breaks down to a fix and a variable part. On 15.12.20011, 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 will take over.

Alterations of articles of the association, especially dismissal of the supervisory board requires a majority of board votes of 75%. The regular mandate of the current board ends as per day of the annual board's meeting, which reports on BY 2013/14.

Analysis and Strategy as well as Prospects

FORTEC's focus is the distribution of standard components. Due to vast and always available information via internet, there is a continuous trend seen as to reduction of margins in industrial business. FORTEC's goal is to compensate this development by own added-value.

When connecting the product segments of power supplies, display technology (industrial displays incl. controls) and embedded computer technology (single-board computer) to create an Embedded Solution System, FORTEC possesses for a long time now 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 e.g. base-board design accompanied by the development and installation of these customer-specific products.

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

In every respect, FORTEC provides service to industrial final customers. Target customers are mainly manufacturers in the field of industry automation, medicine technology as well as providers for the 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 are 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. Our core countries namely Germany, Austria and Switzerland still offer considerable potential. We manufacture in our sites in Germany and the Czech Republic. Moreover, we are represented in the Benelux by participation to an electronic distribution company.

Due to our 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.

Risk Management Report.

The risks mentioned below could influence our entire company, our financial situation and our results and 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.

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

A considerable risk is disposition of stock. 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 noted 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 customer's requirements as concerns a prolonged time of warranty and the usual terms of a suppliers' contract. During these past years, the customers 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 value of the product; 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. In view of a possible economic slow-down, we will definitely expect further problems.

Our success also strongly depends on the vast and years of experience of our personnel. 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 customers' 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 to industrial customers and not any more within their distribution channels. Another negative aspect could be a concentration process expected from the supplier's side which could result – in worst case – to 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 EDP – networking of the entire group, a break-down 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. In spite of the economic setback and the carefully made income planning for the next two to three years, an additional need for depreciation may not be eliminated if economic recovery fails.

Internal Control and Risk Management

The 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 of 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.

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.

Resumée and Expectations

The present situation of world's economy deteriorated same as its expectations. The ups and downs at financial markets accompanied by the anxiety about economic slow-down of important trading partners weaken the economic development.

Since begin of 2nd quarter 2012 until today, the order income decreased and the chance for a positive development for BY 2012/13 may not be guaranteed.

In view of the strict saving measures of the countries-in-debts, the economy within the EUR zone generally slowed down. In the meantime, the weakness of the countries at the border zone now reached Europe's centre. For the coming months, experts worry to some extent for North America as well. Moreover, there are no more positive news reported from China, which was the economic motor of the investment industry in 2010 and 2011; in fact, the Chinese economy may continuously even decrease.

In fact, all predictions made now resulted in a global weakening. Nobody knows today, if a real world-wide recession should be expected or if there could only be a considerable slow-down in growth.

However, in view of the crisis in Europe and the fragile world economy, we are not surprised about our client's reluctance to place new orders. Therefore, we expect a cyclical weakening in BY 2012/13 and are concerned not to reach nor top our goal of 50 million EUR in turnover.

This business year we considered normal and the previous BY 2010/11 as "top" due to certain special deals; however, the coming business year will be below any of these results, yet at present, we see a continuous pressure on margin in the business of data visualisation and power supplies. First for BY 2013/14 in cline with an economic comeback, we again expect a positive normal business year.

Based on our business policy proven during many cycles, we succeeded to make profit above average year after year for 28 years now, without having only one single year of losses. However, there is no guarantee for the future, we still are confident that our business model continues to run successfully for the years to come. And we are positive that continuous long-term growth is possible after ending of the finance and debt crises which started in 2008.

Amendment

As per 1st July 2012, the supervisory board appointed the employees Traum and Bullinger to members of the management board, i.e. there are now 3 persons in management.

On 20th July 2012, TRM Beteiligungsgesellschaft mbH published the decision – based on a free public-made offer according to § 10 Abs. 1 i.V.m §§ 29 Abs. 1, 34 “Wertpapiererwerbs- und Übernahmegesetz” (WpÜG)- to buy all outstanding shares from the shareholders of FORTEC Elektronik AG.

On 20th July 2012, TRM Beteiligungsgesellschaft purchased as per share-purchase-contract FORTEC shares of 3 current FORTEC shareholders worth EUR 8.20 each. At same day, TRM Beteiligungsgesellschaft issued a share-purchase-contract with AK Industriebeteiligungen GmbH amounting to further 523.336 FORTEC shares to EUR 8.20 each in compliance with the requirement to publish contract fusion-controlled. This term was accepted/ approved by the “Bundeskartellamt” on 27th August 2012.

During this period until 6th September 2012, the offer was accepted for a total of 18.147 FORTEC shares of EUR 8.20 each. For the period until 25th September 2012, the offer for further 4.337 FORTEC shares of EUR 8.20 each was accepted. In consequence, the offer for a total of 22.484 FORTEC shares was accepted including further terms; thus adding up to approx. 0.76 % of company capital and FORTEC voting rights.

The total of FORTEC shares hold by TRM Beteiligungsgesellschaft at 25th September 2012, 24.00 h MEZ was 950.595 FORTEC shares; thus adding up to approx. 32.17 % of company capital and FORTEC voting rights.

Other business of considerable importance did not occur at end of business year.

Landsberg/Germany, 05.10.2012

FORTEC Elektronik AG

Dieter Fischer
CEO

Markus Bullinger
Board Member /July 2012

Jörg Traum
Board Member /July 2012

Versicherung der gesetzlichen Vertreter (Assurance Legal Representatives)

Wir versichern nach bestem Wissen, dass gemäß den anzuwendenden Rechnungslegungsgrundsätzen der Konzernabschluss ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt und im Konzernlagebericht der Geschäftsverlauf einschließlich des Geschäftsergebnisses und die Lage des Konzerns so dargestellt sind, dass ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt wird, sowie die wesentlichen Chancen und Risiken der voraussichtlichen Entwicklung der Gesellschaft beschrieben sind.

Landsberg, den 05.10.2012

FORTEC Elektronik AG

Dieter Fischer
CEO

Markus Bullinger
Vorstand seit Juli 2012

Jörg Traum
Vorstand seit Juli.2012

CONSOLIDATED BALANCE SHEET FORTEC Elektronik AG
dated 30.06.2012 (previous year 30.06.2011)

AKTIVA / TOTAL ASSETS		Consolidated balance sheet 30.06.2011	Consolidated balance sheet 30.06.2012	PASSIVA / TOTAL EQUITY AND LIABILITIES		Consolidated balance sheet 30.06.2011	Consolidated balance sheet 30.06.2012
A. Langfristige Vermögenswerte Non-current ass.				A. Eigenkapital	Shareholders' equity		
I. Goodwill	Goodwill	2.890.333	2.896.069	I. Gezeichnetes Kapital	Subscribed capital	2.954.943	2.954.943
II. Immaterielle Vermögenswerte	Intangible assets	95.343	80.046	II. Kapitalrücklage	Capital reserve	8.689.364	8.689.364
III. Sachanlagen	Tangible assets	1.368.162	1.275.093	III. Umrechnungsdifferenz	Exchange differences	1.135.052	1.142.249
IV. Finanzielle Vermögenswerte	Financial assets	94.288	94.288	IV. Sonstige Rücklagen	Other compreh. Income	5.508.157	6.816.298
V. Langfristige Forderungen	Accounts receiv.	162.430	133.283	V. Jahresüberschuss	Net income	2.785.613	2.228.286
VI. Latente Steuern	Deferred Taxes	1.900	0			21.073.129	21.831.140
		4.612.456	4.478.779				
B. Kurzfristige Vermögenswerte Current assets				B. Langfrist. Verbindlichkeiten	Long-term liabilities		
I. Vorräte	Inventories	9.594.330	9.632.593	I. Langfrist.Rückstellungen	Other provisions	323.429	265.557
II. Forderungen aus Lieferungen und Leistungen	Accounts receiv und Leistungen	5.052.522	4.767.201	II. Latente Steuerverbindlichk.	Deferred Taxes	317.479	365.324
						640.908	630.881
III. Steuerforderungen	Tax receivables	58.896	58.156	C. Kurzfristige Verbindlichkeiten	Short-term liabilities		
IV. Sonst. Vermögenswerte	Other assets	175.249	109.341	I. Verbindl. Lief./Leistungen	Trade payables	2.634.843	2.437.789
V. Zahlungsmittel und -äquivalente	Cash on hand, Bank balances	7.589.096	8.694.827	II. Steuerverbindlichkeiten	Accruals other taxes	925.947	1.263.886
		22.470.093	23.262.118	III. Sonstige Rückstellungen	Other provisions	911.360	756.581
				IV. Sonst. Verbindlichkeiten	Other liability./accruals	896.363	820.620
						5.368.512	5.278.876
Summe Aktiva	Total Assets	27.082.549	27.740.897	Summe Passiva	Total Equity/Liabilities	27.082.549	27.740.897

Consolidated Statement of Comprehensive Income 01.07.2011- 30.06.2012

			Anh./Annex	1.7.10 - 30.6.2011	1.7.11 - 30.6.2012
1. Umsatzerlöse	Sales revenues		20	47.478.202	47.791.006
2. Erhöhung Bestand unfertige Erzeugnisse	Increase in finished goods/work in process		21	100.518	183.591
3. sonstige betriebliche Erträge	Other operating income		22	1.245.549	1.165.002
4. Materialaufwand	Cost of material		23	35.578.934	36.725.069
5. Personalaufwand	Personnel expenses		24	5.437.594	5.620.760
6. Abschreibungen	Depreciation		25	313.875	306.198
7. Sonstige betriebliche Aufwendungen	Other operating expenses		26	3.805.080	3.617.721
8. Betriebsergebnis (EBIT)	Operating result			3.688.786	2.869.852
9. Sonstige Zinsen u. ähnliche Erträge	Other interest and similar income		27	86.346	128.422
10. Zinsen u. ähnliche Aufwendungen	Other interest and similar expenses		27	6.812	3.997
11. Ergebnis vor Ertragssteuern	Results from ordinary activities			3.768.320	2.994.278
12. Ertragssteueraufwand	Taxes on income		28	982.707	765.992
13. Jahresüberschuss	Net income			2.785.613	2.228.286
14. Marktwertänderungen von zur Veräußerung Verfügbaren Vermögenswerten (erfolgsneutral)	Value changes of assets for sale (independent in success)		14	206.002	0
15. Währungsumrechnungsdifferenzen (erfolgsneutral)	Differences in exchange (succ.indep.)		30	447.516	7.197
16. Summe sonstiges Ergebnis	Total other result			<u>653.518</u>	<u>7.197</u>
17. Gesamtergebnis	TOTAL			3.439.131	2.235.483
18. Ergebnis je Aktie	Earnings per Share				
unverwässert	Basic			0,94	0,75
verwässert	Diluted			0,94	0,75

Consolidated Statement of Changes in Equity 2011/2012

	Subscribed capital	Capital reserves	Exchange Rate Differences	Other compreh. Income Market evaluation reserves	Profit reserves Profit carried-forward	T O T A L
	EUR	EUR	EUR	EUR	EUR	EUR
Balance as per 30.06.2010	2.954.943	8.689.364	687.536	-206.002	6.394.640	18.520.480
Group's result 2010/11			447.516	206.002	2.785.613	3.439.131
Dividend pay-outs					-886.483	-886.483
	0	0	447.516	206.002	1.899.130	2.552.648
Balance as per 30.06.2011	2.954.943	8.689.364	1.135.052	0	8.293.770	21.073.129
Group's result 2011/12			7.197		2.228.286	2.235.483
Dividend pay-outs (EUR 0.50 per share)					-1.477.472	-1.477.472
	0	0	7.197	0	750.814	758.011
Balance as per 30.06.2012	2.954.943	8.689.364	1.142.249	0	9.044.584	21.831.140

Consolidated Cash-flow Statement 01.07.2011 – 30.06.2012

		Annex	2010/2011	2011/2012
I. OPERATIVER BEREICH 1. Jahresüberschuss 2. Abschreibungen auf Sachanlagen und immaterielle Anlagegegenstände inkl. Goodwill 3. Korrektur andere zahlungsunwirks. Transaktionen 4. Zunahme (VJ Zunahme) der Vorräte 5. Abnahme (VJ Zunahme) Forderungen aus Lieferungen, Leistungen u. sonstigen Forderungen 6. Abnahme (VJ Zunahme) Verbindlichkeiten aus Lieferungen und Leistungen 7. Zunahme (VJ Zunahme) kurzfrist. Verbindlichkeiten 8. Abnahme (VJ Zunahme) langfrist. Forderungen 9. Abnahme (VJ Zunahme) langfrist. Verbindlichkeiten <u>Cash flow aus dem operativen Bereich</u>	OPERATIVE BUSINESS 1. Consolidated net income 2. Depreciation of tangible assets and intangible assets incl. goodwill 3. Other cash-ineffective transactions 4. Increase (PY Increase) in inventories 5. Decrease (PY Increase) in accounts receivable and other debts receivables 6. Decrease (PY Increase) in accounts payable 7. Increase (PY Increase) in short-term liabilities 8. Decrease (PY Increase) in long-term receivable 9. Decrease (PY Increase) in long-term liabilities <u>Cash flow provided from operating business</u>	31	2.785.613	2.228.286
			313.875	306.198
			32.454	72.335
			-2.927.155	-38.263
			-690.968	351.969
			936.012	-197.054
			242.981	107.418
			-34.738	29.147
			269.227	-57.872
			927.302	2.802.163
II. INVESTITIONSBEREICH 1. Invest. Sachanlagen /immaterielle Anlagegegenstände 2. Investitionen in Finanzanlagen 3. Erlöse aus Abgängen Sachanlagevermögen 4. Erlöse aus den Abgängen von Finanzanlagen <u>Cash flow aus dem Investitionsbereich</u>	INVESTMENT ACTIVITIES 1. Investment tangible and intangible assets 2. Investment in financial assets 3. Proceeds from fixed assets sales 4. Proceeds from financial assets sales <u>Cash flow from investment activities</u>	31	-305.969	-199.254
			-37.917	-1.980.569
			4.367	5.754
			1.416.079	1.981.798
			1.076.560	-192.270
III. FINANZIERUNGSBEREICH 1. Gewinnausschüttung <u>Cash flow aus dem Finanzierungsbereich</u>	FINANCING ACTIVITIES 1. Distribution of profits <u>Cash flow from financing activities</u>	30	-886.483	-1.477.472
			-886.483	-1.477.472
IV. CASH FLOW INSGESAMT	TOTAL CASH FLOW	30	1.117.379	1.132.421
V. VERÄNDERUNG DER LIQUIDEN MITTEL Wechselkursbed. Änderungen auf Zahlungsmittel Kasse, Bankguthaben 30.06.2012 (VJ 30.06.2011) Kasse, Bankguthaben 01.07.2011 (VJ 01.07.2010) Veränderung der liquiden Mittel	CHANGE IN LIQUID FUNDS Change of exchange rate differences on payments Cash on hand/bank accounts 30.06.2012 (PY 30.06.2011) Cash on hand/bank accounts 01.07.2011 (PY 01.07.2010) Change in liquid funds	12	116.258	-26.690
			7.589.096	8.694.827
			6.355.459	7.589.096
			1.117.379	1.132.421
Zusammensetzung des Finanzmittelfonds Kasse Bankguthaben Finanzmittel am Ende der Periode	Liquid funds in detail Cash-on-hand Bank accounts Liquid funds at end of period	12	12.615	9.327
			7.576.481	8.685.501
			7.589.096	8.694.827

FORTEC Elektronik AG

Annex Business Year 2011/12

1) General Information

FORTEC Elektronik AG issues its group's final report according to § 315 a of HGB and according to 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 taking into consideration all standards at balancing day. Basis thereof is the obligation to fulfil § 315a Art. 1 HGB and Art. 4 of regulation (EG) Nr. 1606/2002 of the European Parliament and Council dated July 19, 2002 re: use of the international balancing standards. All standards to report as per balancing day have been observed. Besides all information compulsory according to IFRS, also all statements and explanations will be made as per § 315a Art. 1 HGB, which German Trade Law requires for a group's report according to IFRS.

Revised and/or new IFRS and Relevant Changes of Information and/or Evaluation.

- a) Compared to group's final report as per 30.06.2011, the following standards and Interpretations/explanations were amended and are to be reported obligatory due to EU law or the coming-into-effect of the regulation.**

- *Changes to IFRS 7*

Information as concerns financial instruments.

Accepted as per 22.11.2011.

- *Changes to IAS 1*

Description of "Other results"

Accepted as per 05.06.2012.

- *Changes to IAS 19*

Employee benefits

Accepted as per 05.06.2012

- *Changes to IAS 24*

Information/data as to related companies and persons – corrected definition.

These alterations will be valid beginning business year January 1st, 2011

- *IFRIC 14*

IAS 19 – Limitation of a service-related asset, regulation as to minimum financing and its effects – changes of Nov. 2009 as to optional pre-payments

These alterations will be valid beginning business year January 1st, 2011

- *FRIC 19*

Amortisation of financial obligations by use of own/equity capital.

These alterations will be valid beginning business year July 1st, 2010

b) The following standards and interpretations were published by the IASB, but not yet confirmed by EU.

- *Changes to IAS 12* Limited change as to return of assets

Changes were published by IASB on 20.12.2010

- *Changes to IFRS 1* First application of International Financial Reporting Standards – change as to extraordinary high inflation”

Changes were published by IASB on 20.12.2010

- *Changes to IFRS 7 and IFRS 9*

Financial instruments/ data as to financial instruments

Changes were published by IASB on 16.12.2011

- *Changes to IFRS 10* Group’s report

Changes were published by IASB on 12.05.2011

- *Changes to IFRS 11* Mutual agreements

Changes were published by IASB on 12.05.2011

- *Changes to IFRS 12* Information as to participation of other companies

Changes were published by IASB on 12.05.2011

- *Changes to IFRS 13* Evaluation of reported time-value

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Changes were published by IASB on 12.05.2011

- *Changes to IAS 27* IAS single report

Changes were published by IASB on 12.05.2011

- *Changes to IAS 28* “Shares of associated as well as mutual companies”

Changes were published by IASB on 12.05.2011

At present, FORTEC analyses the effects/influence of new standards as to its assets, financial and earnings (revenue/income).

For this business year, FORTEC Elektronik AG did not accept the new resp. revised IFRS standards which are not compulsory per 30.06.2012.

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 Autronic Steuer- und Regeltechnik GmbH, Sachsenheim 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, being examined and certified by independent financial auditors with unlimited comments.

The year's report of the FORTEC AG as well as of the group was issued in EUR, e.g. that there could be slight but not considerable differences in amounts.

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

In order to improve 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.

Intangible assets (without goodwill) as well as tangible assets are calculated according to purchase cost minimized by the accumulated depreciation and being depreciated according to plan for the period of use.

This period is said to be 3-5 years for software, 10 years for company building, 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 for repair are calculated according to FORTEC Elektronik AG's expenses.

At balance day, the achieved proceeds from the equipment assets were not below the book value. As depreciation method, only linear depreciation is used. Incomes are depreciated according to "pro rata temporis"; minor cost merchandise is depreciated for 5 years.

At each balance day, the book values are examined as to possible depreciation in value.

The long-term financial assets are investments. If there is no active demand in market for these companies and "fair- values" could not be calculated effectively, then their respective purchase costs are listed; however low "fair-values" are taken into account. At present, it is not intended to sell these financial assets.

The stocks asset is evaluated to purchase costs plus additional costs and minus discount. As concerns price alterations, only mixed prices are changed accordingly. Therefore, the average method was used; the lowest value principle was observed. If the net sales value was below purchase cost, the lower net sales value was used. Financing costs are not activated.

Obligations from deliveries, services 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 payment means and/or equivalents is done by their net value.

Taken into consideration the necessary caution, reserves which the company might have to deal with were not made. It was not required to calculate interests.

Pension reserves were not made.

Obligations with return payment were made. As per balance day, there were no obligations with a remaining period of more than 5 years.

Deferred taxes are made considering temporary differences of the balance report and the financial values. The future average tax (KSt, SolZ and GewSt) amounts to 29 % (prev.year 29%). Balancing of deferred tax return claims and tax debts was made of TEUR 6 (prev.year TEUR 15).

Currency exchange rates of any transactions, obligations, liabilities and monetary assets and debts per balance day were made at daily EUR rate. Exchange rate differences are stated.

The report of the Swiss company Altrac AG is calculated according to IAS 21 of functional currency into EUR. The valid currency for Altrac AG is the country's currency, as the company is considered independent financially, economically and logistically. At groups' balance all considerable balance data – based on exchange rates – were calculated at daily rate of the balance day; investments and earnings at average annual rate as well as company capital at average yearly rate (modified day method).

Earnings/Returns – whenever payment date was – were recorded when service rendered. They will be evaluated according to date for payment; taxes will be calculated proportionally and in time.

Other capital costs made during business year were recorded as expenses.

Regulations in structure remain same as previous year. "Short-term" means assets and obligations if due within one year. Accounts receivables from deliveries, service and stock are in general considered short-term. Deferred claims on tax and/or obligations are considered long-term according to IAS 1.56.

The issue of the group's report in accordance with IFRS requires decisions and estimations as concerns the book value of balanced assets and liabilities, profit and obligations as well as possible accounts payable. However, if necessary these amounts may differ. Changes will be observed successfully until improved information is available.

Insecurities as to the estimations mainly relate to the amount and evaluation of assets and liabilities that may result in a incalculable risk for the coming business years.

Liabilities as to deliveries and services are examined on estimated basis as to their realisation in view of a possible global single value correction.

The sum of provisions for guarantee was calculated on estimated and expected costs and their due date taking into consideration past-time values and current transactions.

3) Consolidation

The group's balance is made by FORTEC Elektronik AG together with four active national and one foreign company having the majority of votes. Thus all subsidiaries were consolidated. As FORTEC Elektronik AG holds the entire capital of all subsidiaries, there are no minority shares. The most important figures according to IFRS of the relevant companies (before consolidation) are shown in the following chart as per 30.06.2012:

	FORTEC AG	Blum SV GmbH	Emtron GmbH	Rotec GmbH	Autronic GmbH	Altrac AG
	TEuro					
Turnover	22.151	769	12.126	2.233	5.525	6.871
<i>previous year</i>	22.342	868	12.483	2.179	5.157	6.292
Company result (EBIT)	615	-18	1.236	129	355	252
<i>previous year</i>	1.584	74	1.562	289	446	167
Financial result	154	-3	66	-39	-53	-3
<i>previous year</i>	112	-7	69	-38	-57	-1
Taxes	199	-4	366	27	86	86
<i>previous year</i>	348	18	458	0	118	40
Year's earning (as per IFRS)	570	-17	936	63	216	163
<i>previous year</i>	1.348	49	1.173	251	271	126

Participation figures of the results of all group members/subsidiaries are as follows:

	Blum SV GmbH Thannhausen	Emtron electronic GmbH Nauheim	ROTEC GmbH Rastatt	Autronic Sachsenheim	Altrac AG Dietikon (CH)
Goodwill (IFRS) (€)	69.339	167.146	0	0	2.653.848
<i>previous year</i>	69.339	167.146	0	0	2.408.559
Nominal value of participation (€)	250.000	250.000	250.000	250.000	160.000
<i>previous year</i>	250.000	250.000	250.000	250.000	160.000
Economic equity capital (€)	464.978	5.367.592	319.144	673.797	2.458.792
<i>previous year</i>	482.611	4.431.311	256.524	458.146	2.291.824
Capital-/Shareholders (%)	100,00%	100,00%	100,00%	100,00%	100,00%
<i>previous year</i>	100,00%	100,00%	100,00%	100,00%	100,00%
Acquisition	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 2.7.03.

The day of issue of all reports of all group members/subsidiaries equals the date of the group's report (30.06.2012).

Altrac AG made its annual report in Swiss Francs. The year's result as per 30.06.2012 is converted in EUR according to IAS 21 and the concept of functional currency.

At balance day, FORTEC holds 36.6% (prev.year 36.6%) of the capital stock of Advantec Electronics B.V. Oudenbosch (NL) as well as 25% of EOS Europe B.V., Oudenbosch (NL). These companies are not considered subsidiaries in terms of IAS 27.13, as there is no command/control function.

Besides Advantec Electronics B.V. and EOS Europe B.V. are non-associated companies according to IAS 28.2 i.V.m. IAS 28.6, as the indication catalogue of IAS 28.5 not being relevant. As concerns companies with shares of 20 to 50 %, it is foreseen in general that these are non- associated companies, unless it is assumed that there is considerable influence. We assume the latter, because there is no affiliation, nor important decisions made, nor important business between us and these companies, no exchange of management personnel and no important technical information/data to be provided. Therefore, consolidation of both companies is omitted.

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. Similar positions were added together.

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.

5) Capital Consolidation

The capital consolidation was made according to IFRS 3 and the benchmark method. Settlement of "fair values" was done with own capital of each subsidiary of the group's financial statement at date of purchase. Similar items were added.

The difference of Blum Stromversorgungen 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 accumulates to "quiet" reserves at capital assets – namely on corporate income tax and goodwill. At ALTRAC AG, 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. Each reduction in value is immediately and successfully noted.

Detailed Information as to respective paragraphs in "Balance Sheet"

According to IAS 1, the group's balance is listed in long- and short-term assets and liabilities. Assets and liabilities are considered short-term if they are due within one year. According to IAS 1.56, deferred taxes are long-term assets and liabilities.

6) Goodwill

The listed goodwill results from the acquisition of the subsidiaries Altrac AG, Blum Stromversorgungen GmbH and Emtron electronic GmbH (company values).

As payment generating units and same as last year, the segments “data visualisation” and “power supplies” were identified as individually generating payment units for business year 2011/12.

As per 30.06.2012, book value of goodwill for power supplies amounts to EUR 2.659.583 (prev.year EUR 2.653.878).

The goodwill difference to previous year amounts to TEUR 6 (prev.year TEUR 245) and is based on the exchange rate reduction of the Swiss Franc compared to last year and in view of the participation rate of ALTRAC AG. The difference in exchange rate is added to own capital.

In spite of the planed depreciation of goodwill resulting from capital consolidation, a lower value based on impairment test according to IAS 36 i.V.m. IFRS 3 was determined.

This test comprises the listing of the company’s identified value based on the discounted cash-flow procedure.

The annual impairment test was done in fourth quarter based on payments generated. The achievable figure was calculated based on fair value; considering accepted projects/planning of the next 5 years by the company management. For the period after the 5th year, a terminal value was stated in view of the up-date of last project year. These projects/plans are calculated based on gathered experiences, current business results and best possible management estimations as regards future development of specific facts i.e. costs for expenses, personnel and profit margins.

For the impairment test, a specific important capital cost rate after tax is necessary using the capital asset pricing model. Its components are risk-free interest, a market risk percentage as well as a surplus as to the financial risk. The impairment test was made according to a certain capital cost value of 8%. This is calculated on the basis interest for national loans minus 2% inflation rate and in consideration of a risk surplus of 10%.

The intrinsic value of the mentioned goodwill may also occur at a change of growth prognosis and/or at a discount rate of +/- 0.5 %. When impairment test during past BY and previous year was done, there were no decreases in value of either business or company value.

7) Intangible and Tangible Assets

The development of asset at historical purchase costs and depreciation in business year are to be seen in the “consolidated gross fixed assets movement”.

Intangible and tangible assets are reduced to purchase costs for in-time depreciation. Exclusively linear depreciations were made; low value industrial goods are depreciated on a linear basis within 5 years.

Depreciations on intangible and tangible assets are considered in the “consolidated income statement” under no. 6 *depreciations*.

In the “consolidated gross fixed assets movement” an additional column “differences in currency exchange rates” is added. Here, the differences in assets of Altrac AG are listed based on exchange differences at balance day of this independent foreign company at various exchange rate.

8) Financial Assets

The financial assets as per 30.06.2012 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Participations	94.288	94.288
TOTAL Financial Assets	94.288	94.288

The participations are as follows: 36.6 % (prev.year 36.6 %) for Advantec Electronics B.V., Oudenbosch (NL) amounting to nominal TEUR 46, the unchanged 25 % for EOS Europe B.V., Oudenbosch (NL) amounting to nominal TEUR 46 as well as the 99 % for Alltronic spol s.r.o. (via AUTRONIC) amounting to TEUR 48.

Based on the actual economic figures of Advantec Electronics B.V., there is no change compared to previous year. The evaluation was made at original acquisition costs which correspond to the current value at balance day.

In BY 2007/08, the participation of EOS Europe B.V., Oudenbosch (NL) amounting to nominal TEUR 46 (25%) was depreciated to TEUR 0 because of eventual reduction in value.

At balance day and same as last year, the subsidiary AUTRONIC Steuer- und Regeltechnik GmbH acquired a 99 % share of Alltronic elektronické stavebni skupiny a komponenty spol. s.r.o., Dýšina, Czech Republic (TEUR 48). Current value at balance day is considered approx. purchase price. There was no partial company's report made as per 30.06.2012 by AUTRONIC GmbH (IAS 27.10). The statement of shares of Alltronic is recorded in the group as financial asset according to IAS 39, as the company is of minor economic importance according to IAS 1.15 and 1.30.

The financial assets are classified “financial assets available-for-sale” as per IAS 39. Changes in value compared to previous year are listed success-neutral in market value reserve as per IAS 39.55b. At balance day, the market evaluation reserve was totally cleared.

Consolidated Statement of Financial Assets as per 30.06.2012

		<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 01.07.2011	Zugänge Additions 2011/2012	Abgänge Retirements 2011/2012	WK-Diff. Exchange Difference	Stand am Balance on 30.06.2012	Stand am Balance on 01.07.2011	Zugänge Additions 2011/2012	Abgänge Retirements 2011/2012	WK-Diff. Exchange Difference	Stand am Balance on 30.06.2012	Stand am Balance on 01.07.2011	Stand am Balance on 30.06.2012
Immaterielle Vermö- genswerte	Intangible assets												
- Software	- Software	432.095	58.027	17.622	218	472.718	336.752	73.310	17.608	218	392.672	95.343	80.046
Summe Immat.Verm.werte	Total intangible assets	432.095	58.027	17.622	218	472.718	336.752	73.310	17.608	218	392.672	95.343	80.046
Sachanlagen	Tangible assets												
- Grundstücke	- Property	253.375	0	0	0	253.375	0	0	0	0	0	253.375	253.375
- Gebäude	- Plant, Buildings	538.383	0	0	0	538.383	106.991	33.376	0	0	140.367	431.392	398.016
- Außenanlagen	- outdoor facilities	43.001	0	0	0	43.001	5.495	2.867	0	0	8.362	37.506	34.639
- Fahrzeuge	- Vehicles	502.678	20.665	52.463	301	471.181	372.065	53.434	52.461	990	374.028	130.613	97.153
- Werkzeuge	- Small tools	49.232	0	0	0	49.232	29.419	7.269	0	0	36.688	19.813	12.544
- technische Anlagen/Masc	- plant, machinery	294.712	3.608	0	0	298.320	81.816	27.186	0	0	109.002	212.896	189.318
- Büroeinrichtung	- Office furnishings	767.125	58.191	37.659	849	788.506	624.488	65.757	37.636	1.530	654.139	142.637	134.367
- Betriebs- und Ge- schäftsausstattung	- Office and plant equipment	329.993	43.035	27.605	98	345.520	239.387	20.405	27.599	101	232.294	90.606	113.226
- GWG	- Low-value items	116.136	15.728	21.527	0	110.337	66.812	22.594	21.527	3	67.882	49.324	42.455
Summe Sachanlagen	Total tangible assets	2.894.635	141.227	139.254	1.248	2.897.855	1.526.473	232.888	139.223	2.624	1.622.762	1.368.162	1.275.093
Finanzielle Vermögensw.	Financial assets	140.464	1.980.569	1.980.569	0	140.464	46.176	0	0	0	46.176	94.288	94.288
Summe Anlagevermögen	Total assets	3.467.194	2.179.823	2.137.445	1.466	3.511.037	1.909.400	306.198	156.831	2.842	2.061.610	1.557.793	1.449.427
<u>nachrichtlich: Vorjahr 2010/2011</u>													
Immaterielle Vermö- genswert	Intangible assets	404.225	19.153	579	9.296	432.095	244.424	83.610	578	9.296	336.752	159.801	95.343
Sachanlagen	tangible assets	2.689.224	286.816	133.502	52.097	2.894.635	1.369.352	230.265	126.704	53.559	1.526.473	1.319.875	1.368.162
Finanzielle Vermögensw.	financial assets	1.315.999	37.917	1.213.452	0	140.464	255.677	0	209.502	0	46.175	1.060.321	94.288
Summe Vorjahr	total assets	4.409.448	343.886	1.347.533	61.393	3.467.194	1.869.453	313.875	336.784	62.855	1.909.400	2.539.997	1.557.793

9) Long-term Liabilities

These are the unpaid security deposits for the rented offices in Landsberg and Vienna. Also, these are liabilities from assurances of pension-part-time contracts, tax liabilities from reduced value of corporate income tax of TEUR 80 (prev.year TEUR 95) with a remaining duration of more than 1 year.

10) Stocks/Inventories

The stocks/inventories as per 30.06.2012 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Goods/raw material/operating supplies	8.831.718	8.582.121
Finished/Unfinished products	694.217	1.029.315
Payments made	68.395	21.157
Total stock value	9.594.330	9.632.593

The goods like raw material and others total up together with purchase costs taken into consideration the purchase related extra costs and effective average prices. If necessary, depreciation was made on the lower value – which is the net sales value. All foreseen risks have been taken into consideration by relevant reductions.

The goods produced and/or semi-finished are calculated as per production costs not taking into consideration the direct costs (like salaries and material costs) as well as fix and variable general production costs (production and material costs) – i.e. costs as per IAS 2.16.

11) Accounts Receivables from Deliveries, Taxes, Service and other Assets

These accounts receivables as per 30.06.2012 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Receivables re: deliveries and service	5.052.522	4.767.201
Tax receivables	58.896	58.156
other accounts receivables	175.249	109.341
TOTAL accounts receivables	5.286.667	4.934.698

As concerns these receivables, all foreseen risks were eliminated by correcting each value item. The value corrections of receivables from deliveries and services according to IFRS 7.16 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Date of value correction per 01.07.	137.572	132.420
Allocations	29.350	100
Usage/ cancellations	-34.502	-90.920
Date of value correction as per 30.06.	132.420	41.600

All accounts receivables mentioned in chart above are of a remaining maturity of less than one year.

Besides the claim of overpaid taxes during 2011, the tax liabilities are among others the credit balance resulting from the corporate tax of TEUR 18 (prev.year TEUR 18), with a remaining term of less than one year (also see remarks under no. 9).

Further and other receivables in the group are mainly due to the loan of TEUR 40 (prev.year TEUR 70) granted to the consolidated company Alltronic s.r.o., Dýšina, Czech Republic and active invoice amount of TEUR 39 (prev.year TEUR 39).

Receivables from deliveries and services as well as credits are financial instruments as per IAS 39 and are classified under "credits and receivables". Evaluation is made according to purchase costs.

12) Cash-on-hand and/or other equivalent means

Cash-on-hand and/or other equivalent means per 30.06.2012 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Cash-on-hand /postage machine	12.615	9.327
Bank credit and post giro	7.576.481	8.685.500
Total	7.589.096	8.694.827

Bank credits which are in US-\$, Japanese Yen or Swiss Francs were evaluated at the middle currency conversion 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.

13) Capital Deposit/ Stock

The capital stock of FORTEC Elektronik AG at balance day amounts to EUR 2.954.943.00 (prev.year same amount). The companies' shares are divided into 2.954.943.00 non-value shares (Bond No. 577410/ISIN DE 0005774103). The value of each share is EUR 1.00 of the basic capital.

14) Company Capital.

The groups' capital during reported period is as follows.

	Basic Capital	Capital- reserve	Differences re: currency exchange	Profit reserve/ accumulated Profit reserve/ EUR	TOTAL EUR
	EUR	EUR	EUR	EUR	
Balance 01.07.2011	2.954.943	8.689.364	1.135.052	8.293.770	21.073.129
Purchase					
Currency exchange			7.197		7.197
Dividend				-1.477.472	-1.477.472
Year's earnings				2.228.286	2.228.286
Balance 30.06.2012	2.954.943	8.689.364	1.142.250	9.044.584	21.831.141

Since July 1st, 1998, the capital reserve of TEUR 256 continued to increase to TEUR 8.689 based on the additional capital surplus (agio) in 1999 of TEUR 5.233 minus the change in capital reserve and the increase in limited capital. There are no changes during this BY.

The market value reserves consist of the changed results from the evaluation at day of financial instruments (bonds and shares) and are considered included success-neutral. No market value reserve was listed.

Since several years, the group clearly states that the expansion is build exclusively on own-capital financing while strictly aiming for balancing own-capital quota of $\geq 50\%$ after dividend. The definition "own-capital" does not imply hybrid forms of company capital like in previous years.

Notice is given to the company capital statement to be obligatory as per IAS 1.10 c) which is part of this groups report.

15) Financial Instruments – First Statement and Evaluation

a) Financial Assets

First statement and Evaluation

According to IFRS 7 and IAS 39, financial assets are classified as

- financial assets, successfully evaluated at appropriate time value
- credits or obligations
- financial investments with expiry date
- financial assets for possible sale or
- derivatives designed and effective as security instrument.

The group states his financial assets for the first time.

For a first statement, financial assets are evaluated at time value. In case of financial investments that cannot be evaluated at time value, there will be transactions stated directly to purchase of assets.

The group's financial assets include payments and short-term invitations, account receivables from deliveries and service, others, noted and non-noted financial instruments.

Further evaluation

The group differentiates the financial assets as to their classification:

- *financial assets, successfully evaluated at appropriate time value*

There are no financial assets evaluated at appropriate time value.

- *credits or account receivables*

Credits and account receivables are non-derivative financial instruments at fix and noted payments, not noted in the market. At first statement and as evaluation, such instruments will be evaluated as purchase costs minus possible decrease in value. These losses are included in the "consolidated income statement" as financial expenses.

- *financial assets available-for-sale*

Financial assets available-for-sale is considered company capital, not evaluated for trade and at no definite time value.

After first evaluation and for further report periods, these financial assets available for sale will be evaluated at time value. Not realised profit or loss will be stated as other results in the market value statement.

- *decrease in value of financial assets*

At each balance day, the group examines if there are signs of decrease in value of a financial asset or a group of financial assets.

In the affirmative, the amount of decrease in value is the difference between book value and cash value of expected future cash flow.

b) Financial Obligations

First statement and Evaluation

As per IFRS 7 and IAS 39, financial obligations are considered obligations evaluated at time value, credits and receivables, loans or others.

The group states the classification of his financial obligations for the first time and at time value. These financial obligations include receivables from deliveries and service as well as others.

Further Evaluation

The group differentiates the financial assets as to their classification:

- *financial assets, successfully evaluated at appropriate time value*

There are no financial assets evaluated at appropriate time value.

- *credits or account receivables*

Credits and account receivables are non-derivative financial instruments as concerns fix and noted payment terms, not noted at the market. At first statement and as evaluation, such instruments will be evaluated as purchase costs minus possible decrease in value.

According to IFRS 7.6. the financial instruments are as follows:

	Continuously stated purchase costs 30.06.2012	Fair value 30.06.2012	T O T A L 30.06.2012
Financial assets	94.288	0	94.288
<i>Previous year</i>	94.288	0	94.288
Long term accounts receivables	133.283	0	133.283
<i>Previous year</i>	162.430	0	162.430
Receivables re: deliveries and service	4.767.201	0	4.767.201
<i>Previous year</i>	5.052.522	0	5.052.522
Other assets	69.857	0	69.857
<i>Previous year</i>	135.994	0	135.994
Payments and/or similars	8.694.827	0	8.694.827
<i>Previous year</i>	7.589.096	0	7.589.096
T o t a l	13.759.456	0	13.759.456
<i>Previous year</i>	13.034.330	0	13.034.330

As per par. „other assets“ of TEUR 175 (prev.year TEUR 175) in the balance sheet, the amount of TEUR 39 (prev.year TEUR 39) is not stated as financial instrument.

As per IFRS 7.8, the fair value is accounted towards book value (in €).

	Evaluation category IAS 39	Book value 30.06.2012	Fair value 30.06.2012	T o t a l 30.06.2012
Financial assets	available for sale	94.288	94.288	94.288
<i>Previous year</i>	AfS	94.288	94.288	94.288
Long-term receivables	loans & receivables	133.283	133.283	133.283
<i>Previous year</i>	LaR	162.430	162.430	162.430
Receivables re: deliveries /service	loan & receivables	4.767.201	4.767.201	4.767.201
<i>Previous year</i>	LaR	5.052.522	5.052.522	5.052.522
Other assets	loan & receivables	69.857	69.857	69.857
<i>Previous year</i>	LaR	135.994	135.994	135.994
Cash-on-hand and equivalents	loan & receivables	8.694.827	8.694.827	8.694.827
<i>Previous year</i>	LaR	7.589.096	7.589.096	7.589.096
T O T A L		13.759.456	13.759.456	13.759.456
<i>Previous year</i>		13.034.330	13.034.330	13.034.330

All other figures are evaluated at purchase costs. Evaluation is in accordance with IFRS 7.27 and at exchange value at balance day.

Equity and Liabilities (in €) are as follows:

	Continuously stated Purchase costs 30.06.2012	Fair value 30.06.2012	T o t a l 30.06.2012
Receivables re: deliveries /service	2.437.789	0	2.437.789
<i>Previous year</i>	2.634.843	0	2.634.843
Other receivables	325.628	0	325.628
<i>Previous year</i>	333.697	0	333.697
T o t a l	2.763.417	0	2.763.417
<i>Previous year</i>	<i>2.968.540</i>	<i>0</i>	<i>2.968.540</i>

In par. „other assets“ of TEUR 821 (prev.year TEUR 896) mentioned in balance sheet, an amount of TEUR 495 (prev.year TEUR 563) “payments for employees” is not stated as financial instrument. All figures are evaluated at purchase costs.

There are no changes when comparing book value to fair value

	Evaluation category IAS 39	Book value 30.06.2012	Fair value 30.06.2012	T o t a l 30.06.2012
Liabilities re: deliveries/service	FLAC*	2.437.789	2.437.789	2.437.789
<i>Previous year</i>		2.634.843	2.634.843	2.634.843
Other liabilities	FLAC	325.628	325.628	325.628
<i>Previous year</i>		333.697	333.697	333.697
T o t a l		2.763.417	2.763.417	2.763.417
<i>Previous year</i>		<i>2.968.540</i>	<i>2.968.540</i>	<i>2.968.540</i>

*financial liabilities and amortised costs

Influence on „income statement“ as per IFRS 7.20 is as follows:

In €	Addition 2011/2012	Value correction 2011/2012	Depreciation 2011/2012
Financial Assets	0	0	0
<i>Previous year</i>	0	0	0
Long-term receivables	0	0	0
<i>Previous year</i>	0	0	0
Receivables re: deliveries and service		-90.820	
<i>Previous year</i>		-5.152	
Other assets	0	0	0
<i>Previous year</i>	0	0	0
Cash-on-hand and/or equivalents	0	0	0
<i>Previous year</i>	0	0	0
T o t a l	0	-90.820	0
<i>Previous year</i>	<i>0</i>	<i>-5.152</i>	<i>0</i>

The risk for drop-out of certain items is as follows (in €):

	T o t a l 30.06.2012	Drop-out risk 30.06.2012
Financial assets	94.288	94.288
<i>Previous year</i> 100%	<i>94.288</i>	<i>94.288</i>
Long-term receivables	133.283	52.815
<i>Previous year</i> 100%	<i>162.430</i>	<i>67.876</i>
Receivables re: deliveries / service	4.767.201	953.440
<i>Previous year</i> 20 %	<i>5.052.522</i>	<i>1.010.504</i>
Other assets	109.341	109.341
<i>Previous year</i> 100%	<i>175.249</i>	<i>175.249</i>
Payment means and equivalents	8.694.827	0
<i>Previous year</i> 0 %	<i>7.589.096</i>	<i>0</i>
T o t a l	13.798.940	1.209.884
<i>Previous year</i>	<i>13.073.585</i>	<i>1.357.017</i>

Drop-out risk for payments and/or equivalent is not relevant, as our business partners are of best reputation as concerns monetary and capital aspects.

Drop-out risk of corporate tax credit included in long-term liabilities does not exist.

A liquidity risk as per IFRS 7.39 for "*Liabilities re: deliveries and service*" does not exist, since payments/liabilities have already been covered at balance day.

Other liabilities are also been paid at most at balance day.

Both the drop-out risk as well as liquidity risk could endanger operative business, yet there is no danger as to the company's existence.

16) Reserves

Reserves within the group as per 30.06.2012 are as follows:

	Balance 01.07.2011	Consumption 2011/2012	Dissolution 2011/2012	Addition 2011/2012	Balance 30.06.2012
Other Accruals					
- longterm	323.429	78.438	9.278	29.844	265.557
- shortterm	911.360	84.728	128.646	58.595	756.581
<i>re: warranties incl.</i>	<i>1.119.835</i>	<i>109.262</i>	<i>137.924</i>	<i>78.439</i>	<i>951.088</i>
	1.234.789	163.166	137.924	88.439	1.022.138

Other accruals were listed according to IAS 37 in consideration of all foreseeable liabilities with their scheduled maturity. Deduction of interests was made accordingly.

The long-term liabilities comprise reserves (years 2 – 10) for the legal responsibility to keep safe the company's records; previous year amount was adjusted accordingly.

Other liabilities are short-term (less than 1 year). Refunds are not expected.

Short-term liabilities mainly are accruals resulting from guarantee and personnel, which are likely to be paid in amount and at due date. Basis as to evaluation of these assets are figures made from experience during past years.

17) Liabilities

Liabilities as per 30.06.2012 are as follows:

	Group (in €) 30.06.2011	Group (in €) 30.06.2012
Liabilities from deliveries/service	2.634.843	2.437.789
Tax liabilities	925.947	1.263.886
Others	896.363	820.620
TOTAL liabilities	4.457.153	4.522.295

Evaluation of the liabilities was made at payment amounts.

The tax liabilities of the current BY amount to TEUR 701 (prev.year TEUR 926) which are splitted into tax on earnings TEUR 457 (prev.year TEUR 634), sales tax TEUR 180 (prev.year TEUR 231) and income tax TEUR 64 (prev.year TEUR 59); TEUR 561 apply to profit tax payments due from previous years.

Among other liabilities are so-called limited accruals amounting to TEUR 719 (prev.year TEUR 761), which according to HGB are "reserves" but according to IFRS are liabilities. In general, these are liabilities against personnel (TEUR 485; prev.year TEUR 563) as well as year's end costs TEUR 167 (prev.year TEUR 169).

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

18) 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 balance and figures according to IFRS. For calculation of deferred tax, legal valid rates were used valid at terms of realisation at balance day.

Calculation of passive deferred taxes is based upon the average company income tax (church tax, social fee and trade income tax) of 29 % (prev.year 29%). Calculating deferred tax on profits of Altrac AG (CH), an income tax rate of 25% was taken into account.

Tax latences due to evaluation differences are as follows:

in TEuro	30.06.2011		30.06.2012	
	active deferred taxes	passive deferred taxes	active deferred taxes	passive deferred taxes
Tangible assets (GWG)	0	0	2	0
Financial assets	1	0	1	0
Stocks /inventories	0	104	0	127
Receivables	0	34	0	36
Other assets	14	0	2	0
Reserves	0	193	0	206
Liabilities	0	1	0	1
	15	332	5	370
Netting	-15	-15	-5	-5
	0	317	0	365

The discounting of active and passive deferred taxes is made according to IAS 12.71.

As per 30.06.2012, there is a non-used taxable loss figure of TEUR 0 (prev.year TEUR 0) resulting from corporate tax including social fee and TEUR 20 (prev.year TEUR 14) from business tax. Losses are on behalf of subsidiaries Autronic GmbH (prev.year Rotec GmbH).

The latent taxes of Autronic GmbH made these last years to compensate the financial losses were eliminated during this business year. As concerns Blum Stromversorgungen GmbH, there were no latent taxes these next years; a positive income to be taxed may probably not be expected for about 5 years. Non-active latent taxes are TEUR 3 (prev. year TEUR 0).

19) Other Financial Liabilities

At balance day, there are rental liabilities with the following terms:

- Up to 1 year	TEUR	245	(TEUR	368)
- 1 to 5 years	TEUR	613	(TEUR	677)
- more than 5 years	TEUR	0	(TEUR	133)
T O T A L	TEUR	858	(TEUR	1.178)

FORTEC's share of the total liabilities is TEUR 85 (prev.year TEUR 160) as well as Autronic's GmbH of TEUR 773 (prev.year TEUR 993).

Explanatory Information as to “Consolidated Income Statement”

20) Sales Revenue

The sales revenue is calculated minus sales diminution and price reductions such as rebates, discounts, etc as well as reimbursements and returns. In general, the group's figure is as per IAS 18 and based on executed delivery and/or service rendered, if price is agreed and determined, the realisation of the corresponding liabilities is fixed.

The group' turnover amounts to TEUR 47.791 (prev.year TEUR 47.478) and breaks down to geographical segments as follows:

Sales revenue of group	Data Visualisation TEUR	Power Supplies TEUR	TOTAL TEUR
Germany <i>previous year Germany</i>	15.560 13.637	20.970 21.802	36.530 35.439
International <i>previous year International</i>	3.934 4.869	7.327 7.170	11.261 12.039
TOTAL <i>previous year total</i>	19.494 18.506	28.297 28.972	47.791 47.478

Group internal revenues were eliminated in line with consolidation

21) Changes in Stock of unfinished/finished Goods

These are decreases in stock of unfinished/finished goods of Blum Stromversorgungen GmbH of TEUR 114 (TEUR 63), of FORTEC AG of TEUR 0 (prev.year TEUR 58), as well as increases of Rotec technology GmbH amounting to TEUR 43 (prev.year TEUR 15) and of Autronic Steuer- und Regeltechnik GmbH of TEUR 255 (prev.year TEUR 81).

22) Other Company Revenues

Other company revenues are as follows:

	Group (in €)	Group (in €)
	2010/2011	2011/2012
Other regular revenues	305.135	89.381
Reduction value correction	28.000	84.450
Release of accruals	113.782	151.707
Other revenues in line with ordinary business activity	798.632	839.465
TOTAL other company revenues	1.245.549	1.165.003

In general, other regular revenues are benefits to employees amounting to TEUR 88 (prev.year TEUR 89) as well as revenues recorded from exchange rate differences of TEUR 446 (prev.year TEUR 502).

23) Material Purchases

Material purchases amounting to TEUR 1.883 within the group were eliminated.

24) Personnel

Expenses for personnel (in €) are as follows:

	2010 /2011	2011 /2012
Salaries and wages	4.523.709	4.713.966
Social costs and contributions to retirement	913.885	906.794
TOTAL Costs Personnel	5.437.594	5.620.760

25) Depreciation

Depreciation in business year is as follows:

	G r o u p (in €) 2010/2011	G r o u p (in €) 2011/2012
Intangible assets	83.610	73.310
Tangible assets and low-value items	230.265	232.888
T O T A L depreciation	313.875	306.198

26) Other Company Costs and Expenses

Other company costs and expenses (in €) are as follows:

	Group 2010/2011	Group 2011/2012
Office rentals	601.411	574.533
Insurances, contributions	134.982	127.195
Repairs, maintenance	95.484	83.948
Vehicles	133.426	144.662
Advertising/ travel expenses	708.011	688.537
Expenses for delivery	392.645	321.517
Misc. company costs/expenses	960.527	961.573
Loss re: asset retirements	2.115	82.442
Loss UV and value corrections	45.427	131.670
Other expenses in line with Normal business	731.051	501.643
Total other company costs/expenses	3.805.080	3.617.721

The costs of “goods sold” include warranty reserves/provisions of TEUR 109 (prev.year TEUR 105).

As concerns “other expenses in line with ordinary business activities” there are differences in currency exchange rates amounting to TEUR 501 (prev.year TEUR 720) which are calculated based on payments made during relevant business year.

27) Interest Receipts

Interest is recorded from interest receipts of TEUR 128 (prev.year TEUR 86) as well as interest expenses of TEUR 4 (prev.year TEUR 7).

28) 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 taken into consideration the tax rates valid at balance day.

Tax on profit in the group is 25.6 % (prev.year 26.1%) and comprises incorporate and business/trade tax.

The tax figures are as follows (in TEUR):

	Group (in €) 2010/2011	Group (in €) 2011/2012
<u>Tax paid and/or owed</u>		
Germany	838	686
Switzerland	21	32
	859	718
<u>Deferred Tax</u>		
from time differences	21	46
from loss revenues	103	2
	124	48
Income Tax	983	766

FORTEC group's actual tax expense of TEUR 766 (prev.year TEUR 983) is TEUR 126 less than the theoretical tax expense resulting from an average tax rate to the group's result before tax.

Taken into consideration the theoretical expected tax expense compared to the actual tax expense recorded in the "consolidation income statement", the figures are as follows: (in TEUR):

	Group 2010 / 2011	Group 2011 / 2012
Tax result before profit	3.768	2.994
Income tax incl. trade tax	29,8%	29,8%
Expected income tax expense at equal tax burden	1.123	892
Raise/Reduction of income tax expense by:		
low tax expense foreign countries	-8	-17
Use of non-balanced losses	-74	0
non deductible company expenses	25	9
tax-free income (amortisation profits)	-130	-36
tax payments prev. year	0	-55
Depreciation re: investments	0	-8
Trade tax (add-ons / deductions)	0	0
other discrepancies	3	2
Effective tax rate percentage	44	-21
	983	766
	26,1%	25,6%

(Theoretical profit tax rate is 29.8 % with exclusive German turnover).

29. Segmental Report

The company's range covers data visualisation and power supplies. Therefore, it is necessary to explain figures by report segments according to IFRS 8 as per 30th June 2012.

	Daten- visualisation	Power supplies	T O T A L
	TEuro	TEuro	TEuro
Turnover	19.494	28.297	47.791
<i>previous year</i>	18.506	28.972	47.478
Regular depreciation *	107	199	306
<i>previous year</i>	113	201	314
Company result (EBIT)	681	2.189	2.870
<i>previous year</i>	903	2.786	3.689
Financial result	62	62	124
<i>previous year</i>	33	47	80
Tax on profit *	184	582	766
<i>previous year</i>	226	757	983
Annual result	559	1.669	2.228
<i>previous year</i>	710	2.076	2.786
Assets *	11.520	16.221	27.741
national	10.594	13.593	24.187
<i>previous year</i>	10.390	13.867	24.257
international	926	2.628	3.554
<i>previous year</i>	624	2.202	2.826
Debts *	2.039	3.871	5.910
<i>previous year</i>	1.866	4.369	6.235
Investments *	62	149	211
<i>previous year</i>	273	390	663

* assessment after gross earning

The assessment (evaluation) principles and/or financial accounting principles for these segments conform to those of the company respectively the group.

The financial result consists of financial profit of TEUR 128 (prev.year TEUR 86) and financial expenses of TEUR 4 (prev.year TEUR 7). The issue of a segment report on the financial assets and expenses because of reasons of essence was omitted.

30) Currency Exchange Rates

A total of TEUR 7 (prev.year TEUR 448) of differences in exchange/conversion rate within the company capital is listed as follows:

Balance per 01.07.2010	687.536
Addition 2010/2011	447.516
Balance per 01.07.2011	1.135.052
Addition 2011/2012	7.197
Balance per 30.06.2012	1.142.249

Mainly figures result from currency exchanges of goodwill and capital of Altrac AG at balance day. Income statement shows TEUR -55 (prev.year TEUR -218) as currency conversion differences.

31) Comments to “Consolidated Cash-Flow Statement”

The consolidated cash flow statement is issued according to the indirect method and separates into cash-flow operative business, investments and financial business.

Financial means (liquid) are cash-on-hand and bank accounts - details see no. 12. The financial means depend on no restrictions as to their disposition; at any time during BY, these financial means could be disposed of.

Cash flow operative business amounts to TEUR 2.802 (prev. year TEUR 927) and includes interest receipts of TEUR 128 (prev.year TEUR 86) and interest payments of TEUR 4 (prev.year TEUR 7).

Cash flow operative business also lists payments of income tax of TEUR 310 (prev.year TEUR 327).

32) Supervisory Board

Members of the supervisory board are.

Michael Höfer (deputy board manager), Steingarden, Portfolio Manager
Werner Heyer (representative), Neunkirchen-Seelscheid, Engineer
Volker Gräbner (representative employees), Hamburg

In current fiscal year, the total revenues of the supervisory board members amount to TEUR 22.5 (prev. year TEUR 22.5).

Delegate board director Höfer is also member of the following committees:

Konsortium AG, Augsburg
Value-Holdings AG, Augsburg
Deutsche Fallen Angels AG, Gersthofen
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 her accounts according to RVG. During BY 2011/12 TEUR 3 (prev.year TEUR 5) were paid to Mrs Fischer and recorded accordingly in balance sheet.

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, expenses are as follows:

	2010/2011	2011/2012
	in TEUR	in TEUR
Short-term payments to employees	915	786
Expenses to be paid after termination of employees' contracts	0	0
other long-term liabilities	0	0
Expenses in line with termination of employees' contracts	0	0
Benefits based on share	0	0
	915	786

An individual listing of the benefits to persons in key-positions of the management is not required according to the decision of the annual general meeting on 15.12.2011: detailed listing may be omitted as per § 314 Abs. 1 Nr. 6a) Satz 5 – 9HGB as well as § 285 S. 1 Nr. 9 a) Satz 5-9 HGB for the period of 5 years thereon (§314 Abs. 2 S. 2 i.V.m. § 286 Abs. 5 HGB)

35) Gratification of Auditor

For services rendered for group's annual report by CAPMA GmbH auditing company, Koblenz, the following payments for BY 2011/2012 were made:

	2010/2011	2011/2012
	in TEUR	in TEUR
Audits of annual financial statement	55	55
General expenses tax consultant	0	0
other expenses	0	0
	55	55

The expenses for the 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 TEUR 87 (prev.year TEU 70) these costs were activated in the reserve assets under single and general costs as well as overall administrations costs surplus.

During BY FORTEC Elektronik AG employed an average of 39 persons (prev.year 43) including 1 temporary help (prev.year 1). The group employs an average of 112 persons (prev.year 110).

Exclusive board manager in BY and at balance date was Dieter Fischer, Dipl.-Ing., Dipl.oec.

As per 16.07.2012 two new board members were appointed:

Markus Bullinger	COO Data visualisation
Jörg Traum	COO Power supplies (distribution)

There were no changes between balance day of June 30, 2012 and the day when balance was published which need to be corrected as to any values or debts.

According to § 161 AktG, the board has made the required explanation to use the Corporate Governance Codex and reported to the auctioneers (via internet: www.fortecag.de) as per §285 No. 16 resp. 314(1) No. 8 HGB).

The board of managers suggests a dividend in the total amount of EUR 1,477.471,50 (prev. year EUR 1,477.471,50). Distribution right is given to a total of 2.954.943 shares of 0.50 EUR each.

One Ad-hoc announcements were published during BY.

37) Release for Publication

The annual business statement was issued October 05, 2012 and released by the board of directors.

Landsberg, October 05, 2012
FORTEC Elektronik AG

Dieter Fischer
CEO

Markus Bullinger
board member/July 2012

Jörg Traum
board member/July 2012

Versicherung der gesetzlichen Vertreter (Assurance of legal Representatives in German)

Wir versichern nach bestem Wissen, dass gemäß den anzuwendenden Rechnungslegungsgrundsätzen der Konzernabschluss ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt und im Konzernlagebericht der Geschäftsverlauf einschließlich des Geschäftsergebnisses und die Lage des Konzerns so dargestellt sind, dass ein den tatsächlichen Verhältnissen entsprechendes Bild vermittelt wird, sowie die wesentlichen Chancen und Risiken der voraussichtlichen Entwicklung der Gesellschaft beschrieben sind.

Landsberg, den 05.10.2012

FORTEC Elektronik AG

Dieter Fischer
Vorstand

Markus Bullinger
Vorstand seit Juli 2012

Jörg Traum
Vorstand seit Juli 2012

Auditors' Report

Based on the group's final balancing I herewith state to have issued to the company the following confirmation as per IDW PS 400:

„Bestätigungsvermerk des Abschlussprüfers

Wir haben den von der FORTEC Elektronik AG aufgestellten Konzernabschluss - bestehend aus Bilanz, Gewinn- und Verlustrechnung, Eigenkapitalveränderungsrechnung, Kapitalflussrechnung und Anhang - sowie den Konzernlagebericht für das Geschäftsjahr vom 1. Juli 2011 bis 30. Juni 2012 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. Unsere Aufgabe ist es, auf der Grundlage der von uns durchgeführten Prüfung eine Beurteilung über den Konzernabschluss und den Konzernlagebericht abzugeben. Ergänzend wurden wir beauftragt zu beurteilen, ob der Konzernabschluss auch den IFRS insgesamt entspricht.

Wir haben unsere Konzernabschlussprüfung nach § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze 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. Wir sind der Auffassung, dass unsere Prüfung eine hinreichend sichere Grundlage für unsere Beurteilung bildet. Unsere Prüfung hat zu keinen Einwendungen geführt.

Nach unserer 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 sowie den IFRS insgesamt und vermittelt unter Beachtung dieser Regelungen ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns. 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.“

Koblenz, 22. Oktober 2012

CAPMA GmbH
Wirtschaftsprüfungsgesellschaft
Jörg Müller
Wirtschaftsprüfer

Gertrud K. Deffner
Wirtschaftsprüferin