

**May 12, 2016**

**Board of Management speech:**

**Henry Brickenkamp, Board of Management Spokesman**

**Dirk Engel, Chief Financial Officer**

- Check against delivery -

Ladies and Gentlemen,

Dear Shareholders,

On behalf of the Board of Management, allow me to welcome you most cordially to this year's Annual General Meeting. We are delighted that so many of you have been able to join us here for this event; for some of you, your involvement in our company goes back quite a number of years. For the first time, our Annual General Meeting today takes place not in the Münsterland Hall, but in the Speicherstadt complex in the historic Speicher 10 building. The Münsterland Hall is currently being upgraded so was unavailable as a venue for this year's meeting. We nevertheless hope that you, Ladies and Gentlemen, find this setting an agreeable alternative.

Could I also welcome the viewers watching this Annual General Meeting on computer over the internet, live or later on. As well as broadcasting a large portion of this Annual General Meeting, this year we are again offering our shareholders the opportunity to grant powers of proxy and issue voting instructions over the internet or to cast a postal vote. I am pleased to say that the take-up rate for this form of participation is growing by the year.

As usual, I will not be presenting today's report by the Board of Management to the Annual General Meeting on my own. I will first be giving a review of the 2015 financial year together with my colleague, our Chief Financial Officer Dirk Engel. We will then explain to you the operating figures for the first quarter of 2016 and will outline the future prospects for technotrans from our perspective, and explain how we aim to realize that vision.

Ladies and Gentlemen,

The past 2015 financial year was overall a highly satisfactory one for our employees and for our shareholders. For the second year in a row, technotrans was again able to increase its revenue and earnings without the help of acquisitions. There was a very good reason for this: almost every area of our group delivered, and therefore helped to ensure that our technotrans has continued to develop into a market-diversified business whose future development now feeds on diverse market areas. Our technotrans, Ladies and Gentlemen, remains on track for growth.

We continue to concentrate on three product areas that all draw systematically on our core skills: namely temperature control, in other words the heating and cooling of liquids; preparation, in other words the filtration and separation of liquids; and the handling of liquids, in other words pumping and spraying. We deploy these core skills in a variety of fields of activity and markets, as required.

A few years have passed since our strategic shift from more technotrans per printing press to more technotrans. We are now more than simply a systems supplier to the offset printing press industry, and have established a foothold in diverse markets. Today, we can and must address a variety of industries in order to obtain a sense of whether our activities have been a success, and of what the future development of the various target markets and of technotrans itself will look like.

So, Ladies and Gentlemen, I would like to take you on a journey that starts with looking over our shoulder at the past financial year.

Let us start with the printing industry:

The printing industry, which with a revenue share of almost 65 percent remains our largest area for our temperature control, filtration, spray dampening and ink supply systems, has featured an inconsistent market trend for many years. With offset printing having exhibited a steady downward trend in recent years, 2015 was the first year in a long time when we observed a turn in its fortunes. In other words, it appears to have bottomed out in 2014. Almost all printing press manufacturers are currently registering a pickup in demand for offset printing presses. Thanks to our strong market position, we were therefore able to profit from this very positive trend last year and increase our revenue share.

Alongside offset printing, digital printing has become ever more important in recent years; this technology is used whenever print runs decline or if the individual printed products need to be customised. Alongside the classic suppliers of digital printing presses such as HP, OCE, Miyakoshi and Kodak, the traditional offset press manufacturers are now increasingly advancing into these market segments with their own developments. technotrans has placed itself excellently to secure further growth in this segment, as the development partner for both offset printing press manufacturers and for classic digital printing press manufacturers.

Another field of activity is flexographic printing. Flexographic printing is a technique used for printing films. The main driver here is the food industry or packaging industry. Over the past few years technotrans has emerged as one of the leading suppliers of temperature control technology and ink supply systems and, as a result, significantly increased its revenue in this area of activity in the past financial year.

The second area of activity comprises mechanical and plant engineering with the laser manufacturers, the turning and cutting machinery manufacturers, the grinding, lapping and polishing machinery manufacturers, and the stamping and pressing equipment manufacturers. Unlike the offset printing market, here we are operating in a market that has been developing much more positively for a number of years now. For the mechanical and plant engineering sector, we develop and build mainly temperature control, filtration and spraying systems.

In the laser market, last year we were able to steadily increase our market shares for our temperature control systems for cooling the laser source. Today, along with K LH and Termotek – the two subsidiaries that we have bought up in recent years and successfully integrated – we now supply all leading laser manufacturers worldwide. With our extensive product portfolio ranging from small temperature control units for diode or fibre lasers to large temperature control units for CO<sub>2</sub> lasers and central cooling systems for several interlinked laser systems, we cover every customer requirement. Alongside our options for product manufacturing in Germany, China or the USA, our international service presence has proved to be one of our standout competitive advantages.

We supply temperature control and filtration systems to the machining sector, with its manufacturers of turning and cutting machinery, along with grinding, lapping and polishing machinery. In addition to temperature control systems we initially specialised in the development and production of filtration systems for contamination loads that are especially complex to filter, as are encountered in the carbon or ceramic processing areas. The past financial year saw us build on our expertise, and we have now made a name for ourselves as a highly regarded supplier of filtration solutions for all contamination loads.

Another exciting and rapidly growing market is forming technology, with its manufacturers of stamping and pressing equipment. For this market, we develop temperature control systems for the drive units, along with spray lubrication systems. The technology behind the spray lubrication systems was originally developed for spraying dampening solution onto the cylinders of newspaper presses. We have now successfully introduced spray lubrication in the market for stamping and forming technology, where metal sheets or coils need to be wetted with warm oil before they are formed or stamped. Having concentrated on stamping of smaller metal panels over the past few years in partnership with our customer Feintool, in 2015 we succeeded in modifying our spraying systems to enable us also to spray larger metal panels with oil. That move opens wide the gate to the automotive industry and carves out excellent future growth prospects for us.

Alongside the more traditional markets of the printing industry and mechanical and plant engineering sector, other markets have taken shape thanks to our activities in the past few years. A feature of all these markets is that they offer the future promise of the highest growth rates.

In the area of energy storage technology, we now supply technotrans temperature control technology to all leading manufacturers of trams. Our temperature control is needed not only to cool the buffer stores and battery cells, but also at the charging stations and transformer stations.

The reason why technotrans temperature control technology is needed for these applications is that the heat generated by the charging process has a detrimental effect on the energy storage devices, so special cooling solutions are called for.

As well as completing various rail projects, we were able to branch out more towards bus technology in 2015. For example, we were able to clinch a number of development and supply contracts with leading bus and battery manufacturers in 2015.

Another area is temperature control of diagnostic imaging devices, ranging from computer tomography and magnetic resonance tomography equipment to security scanners. These are yet more areas where special cooling technology from technotrans is in action, either as a local, integrated solution or as a central system to which multiple devices are connected. Progress in the field of scanner technology was especially pleasing. In that domain, we developed from a small-series supplier into a large-scale producer over the past financial year. On the other hand in the field of computer tomography and magnetic resonance tomography equipment, which we have developed mainly for Asian customers, we are still lagging a little behind our expectations.

Ladies and Gentlemen, after all this talk of markets and technologies, we also need to mention service. Because all products, for whatever market and whichever customers we have developed and built them, need lifelong service arrangements comprising hotline, consumables, replacement parts, training, repairs and installation. And compared to its competitors, technotrans has an excellent track record in that respect. We already provide the service that all our customers from the printing industry, the mechanical and plant engineering sector and the growth markets need, and that in turn shores up our future growth in this segment.

Ladies and Gentlemen, I hope that is enough information to give you an insight into our markets. I will now hand you over to our Chief Financial Officer Dirk Engel, who will present the figures for the 2015 financial year and the first quarter of 2016, which were published on May 4, 2016.

## **Dirk Engel**

Ladies and Gentlemen, Dear Shareholders,

Allow me too to welcome you to our 20th Annual General Meeting.

I am delighted to see that so many of you have taken up our invitation to find out about technotrans AG, ask questions and, last but not least, use your vote.

I would now like to begin by reporting on the 2015 financial year from my perspective as Chief Financial Officer. In a nutshell, it was a highly successful year. This is also reflected in the development of the market price of our technotrans shares. I for one am very satisfied with the performance, and I hope you are too.

Let's briefly take stock of the year. German standard shares had yielded only scant gains for investors in 2014. There was more cause for satisfaction last year, with the DAX putting on a respectable 9.6 percent over the year. What this figure does not show is the sharp fluctuations in the market that were a much more prominent feature of the past stock market year. After a sizzling start and a record high of more than 12,000 points, the index slipped back to a year-low of 9,325 points in September.

Notwithstanding these fluctuations on the capital markets, technotrans shares achieved a noteworthy price performance. I would like to illustrate that by quoting three figures, each of them referring to the reporting date of December 30, 2015: at EUR 19.30, the share price of technotrans AG was slightly more than ten euros up on the closing price for the previous year. Market capitalisation more than doubled in the year under review to EUR 126 million. This meant technotrans shares achieved a price performance of plus 108 percent in 2015.

We thus easily outstripped not only the relevant market indices, but also a large number of benchmark companies. Last but not least, the shares touched an eight-year high of EUR 19.90 on December 17.

Dear Shareholders,

The consolidated result after tax for the 2015 financial year amounted to EUR 6.2 million. Earnings per share outstanding rose from 67 cents in the previous year to 96 cents. And we want you to share in this success. Today the Board of Management and Supervisory Board will therefore propose that a dividend of 48 cents per share be distributed. That is 15 cents – 45 percent – more than last year. Based on the current share price, it represents a dividend yield of 2.6 percent. The distribution rate envisaged is again 50 percent of consolidated net profit.

I would now like to explain the business figures for the 2015 financial year to you in greater detail; business figures that are very satisfying indeed from the point of view of a Chief Financial Officer.

In my remarks today, I would again like to focus on explaining the main figures. We can discuss any details of interest to you over and above that in the questions and answers part of the debate.

Let us first of all consider our financial targets.

technotrans achieved its goals for the 2015 financial year as a whole and therefore successfully maintained its growth trajectory.

At the time the plans for 2015 were drawn up, we assumed moderate revenue growth for the technotrans Group – based on two key conditions: a stable economic development, and various new projects involving both existing and new customers. By as early as the end of the first half of 2015, it was clear those conditions would be met and that business for the full year would in fact show a positive development.

Compared with the original forecast, we even achieved much better results for certain financial indicators. We easily achieved the minimum goal for 2015 of revenue growth of more than 3 percent for the group, with the rate of increase of 9.3 percent coming thanks to growth in all sub-markets.

With organic revenue growth of EUR 10.4 million measured against the previous year, consolidated revenue for the past financial year reached EUR 122.8 million. The Technology segment in particular made positive progress thanks to its successful business expansion in the non-print area. Revenue here was up 10.4 percent at EUR 81.4 million. The Services segment, too, more than made up for the previous year's slight fall in revenue. Revenue for the year went up 7.2 percent to EUR 41.4 million.

With an operating profit of EUR 9.0 million and an EBIT margin of 7.3 percent, the earnings forecast was moreover confirmed at the upper end of the range expected.

The structure of the balance sheet did not change significantly in 2015 despite the growth. technotrans continued to free itself of debt, the free cash flow was positive at EUR 8.5 million and the equity position improved to a stable ratio of 68.0 percent.

This now brings us to our segments and markets.

technotrans' consolidated revenue rose in absolute terms by EUR 10.4 million in 2015 to EUR 122.8 million. As in the previous year, revenue growth for the period under review was purely organic in origin. 35 percent of consolidated revenue now comes from outside the printing industry (previous year: 33 percent).

Compared with the previous year, business with customers in offset, digital and flexographic printing also developed positively once more thanks to technotrans' good market position in the printing industry.

Revenue in that area grew by 6.8 percent. Thanks to the market and revenue shares gained, we again succeeded in growing in all relevant markets. Within this, the biggest boost to revenue came from our projects in the fields of laser technology, stamping and forming technology, and medical and scanner

technology. We established the basis for the healthy revenue growth in the field of proprietary technologies for temperature control, filtration, cooling lubricant preparation and spray lubrication.

As a result of the customer structure in the printing industry but also the laser industry, technotrans traditionally generates a high proportion of its deliveries and revenue in Germany. Yet the 2015 financial year saw the proportion of revenue achieved by the group with German customers drop from 55.1 percent in the previous year to 50.0 percent. In other European countries this figure was increased from 21.5 percent to 23.2 percent thanks to further revenue growth. Meanwhile the revenue share in America also edged up to 14.8 percent. The Asia region followed, with growth from 9.7 to 12.0 percent.

In the **Technology** segment, revenue climbed to EUR 81.5 million in the 2015 financial year. This segment's share of revenue is therefore 66.3 percent, representing a slight increase compared to the prior-year period. The rise of EUR 7.7 million or 10.4 percent compared to 2014 was realised in all relevant sub-markets. Mechanical and plant engineering, the growth markets and also the printing industry made satisfying contributions to this growth.

In the **Services** segment, we achieved the expected turnaround after a slight drop in revenue in the previous year. Revenue rose by 7.2 percent to EUR 41.4 million in 2015. Within the segment, growth was driven largely by after-sales business in almost all sub-markets. Only service business in the Technical Documentation area failed to live up to expectations due to weak orders in the first half. We were unable to end the year with revenue growth in this area. The Services segment brought in a total of 33.7 percent of consolidated revenue.

Ladies and Gentlemen, the revenue performance portrayed also reflects the successful profit performance in the 2015 financial year.

We achieved a marked year-on-year improvement in technotrans' earning ratios at December 31, 2015 and therefore increased earnings per share (EPS) by around 43 percent.

**Gross profit**, in other words revenue less cost of sales, came to EUR 41.4 million. This represents growth of 10.7 percent, which is above all attributable to the higher revenue volume and the effects of a change in the product mix. The cost of purchased materials went up by 9.2 percent in line with revenue. The cost of purchased materials ratio of 39.0 percent was therefore unchanged from the previous year. The gross margin edged up to 33.7 percent at year end.

Distribution costs rose more slowly than revenue, growing 5.7 percent to EUR 17.1 million. General administrative expenses, too, increased only slightly to EUR 13.0 million. On the other hand development costs of EUR 4.3 million for the 2015 financial year were again slightly higher than in the

previous year. technotrans continues to invest in a large number of development projects focusing on the new markets.

In the year under review, the positive balance of other operating income and expenses increased by EUR 0.4 million to EUR 1.9 million. Compared with the previous year, in particular we realised additional income from insurance payouts and other income unrelated to the period. 2015 brought net exchange rate gains of EUR 0.6 million as a result of the high exchange rate fluctuations. This matched the level of the 2014 financial year. No hedging instruments were used to reduce the impact of exchange rate fluctuations on the operating result.

Personnel expenses in absolute terms rose from EUR 39.8 million in the previous year to EUR 42.2 million. This development was mainly due to growth in the regular workforce in response to business expansion and the effect of a pay increase in the group. Over the same period the personnel expenses ratio fell from 35.4 percent to 34.3 percent.

The operating result before interest and taxes (**EBIT**) of EUR 9.0 million easily bettered the previous year's figure by 31.1 percent. This meant that the EBIT margin for the 2015 financial year reached 7.3 percent, up from the previous year's 6.1 percent.

We consequently achieved our goal of an EBIT margin of between 6.8 and 7.3 percent for the 2015 financial year – as I have already mentioned – with a figure right at the top end of our forecast range.

The financial performance in the Technology segment improved as expected. In 2015 the segment benefited both from the renewed revenue growth and from an enhanced product mix in all the group's target markets. Overall, earnings before interest and taxes here went up from EUR 0.4 million to EUR 2.1 million. The rate of return for the segment came to 2.6 percent at year end.

Revenue for the Services segment rose by 6.8 percent in the period under review to EUR 6.8 million. This figure is absolutely in line with our expectations. With an EBIT margin of 16.5 percent, the profit level confirms the figure achieved in the previous year.

We now come to net worth and the financial position at December 31, 2015

As well as the figures already mentioned, the balance sheet of technotrans AG, too, is very sound. Despite the growth, the net worth and capital structure of the group remained broadly stable. The balance sheet total at December 31, 2015 rose slightly from EUR 74.5 million to EUR 76.0 million.

Non-current assets at the end of 2015 came to EUR 25.2 million, a decrease of EUR 1.7 million compared with the previous year. This development is mainly attributable to depreciation and amortisation of property plant and equipment and intangible assets.



By contrast, current assets increased from EUR 47.6 million to EUR 50.8 million. While receivables fell by EUR 1.3 million compared with the previous year, inventories at December 31, 2015 were up EUR 2.1 million overall. The higher inventories at the balance sheet date essentially reflect the group's enlarged business base. There was a further rise in cash and cash equivalents compared with the previous year, to EUR 20.0 million, a new record since the initial public offering in 1998.

Within equity and liabilities, equity in absolute terms rose by EUR 4.2 million to EUR 51.7 million. This development reflects the successful business performance of the group in recent years. The equity ratio thus improved to 68.0 percent (previous year: 63.7 percent). The return on equity, representing net income as a proportion of equity, was 12.3 percent.

The most important source of financing for technotrans AG is the cash inflow from operating activities. The optimisation of working capital released liquid funds, kept debt low and thus improved the indicators relating to balance sheet structure and return on investment. Investment spending, in the first instance on replacement purchases, amounted to EUR 1.7 million. This total was made up of EUR 1.3 million for property plant and equipment and EUR 0.4 million for intangible fixed assets.

The group's **net liquidity**, calculated as the difference between non-current plus current interest-bearing borrowings and cash and cash equivalents, showed a marked improvement at the end of the year under review, as planned. This item rose from EUR 4.8 million in the previous year to EUR 11.6 million.

With an equity ratio of 68.0 percent and borrowing arrangements amounting to some EUR 21.6 million, we have a viable and sustainable financing structure within the technotrans Group.

Finally, a few words on our employees.

The number of people employed in the technotrans Group increased from 781 to 828. Of the 810 employees on average, 71 were in part-time employment. This represents a rate of 8.8 percent and gives you an indication of our efforts to position technotrans as an attractive employer in a variety of ways.

The German production locations saw a slight buildup in capacity in the production-focused areas last year.

We traditionally attach great importance to **training**. On the one hand we aim to continue recruiting juniors from within our own ranks. On the other hand it is in the interests of both society and the company to respond in a timely manner to the challenges of demographic change. The fact that society is growing older and that skilled staff are in short supply is already having an impact. This development will become even more marked over the next few years. The number of apprentices in the group increased to 80 at December 31, 2015.

Ladies and Gentlemen, on behalf of the Board of Management of technotrans AG I would like to take this opportunity to thank all our employees throughout the technotrans Group. They are the people who are actively driving our company's transformation. We, the Board of Management, are again very grateful for their huge dedication over the past year.

At this point I would like to move on to the current 2016 financial year:

The Quarterly Report for the first three months was published last Wednesday. I will therefore once again keep to the principal data.

The headline is: technotrans holds ground in challenging environment!

The global economy is proving highly mixed and volatile at present. It is being undermined by both shifting political factors and also geographical ones. The past few weeks have seen a revision to expectations of growth in the global economy. For example, the slowdown in the Chinese economy is being felt, and there are fresh geopolitical conflicts threatening to derail the trading of goods, especially capital goods. Following on from growth in the order of three to four percent for the German machine tool industry in 2015, the German Association of Machine Tool Manufacturers for example forecasts only very modest growth of one percent in its latest industry report for 2016.

In summary, it can be said that revenue for the mechanical and plant engineering sector is currently treading water. This development can also be observed in laser technology. Although the industry is looking to the future with confidence – mainly on the strength of its technology – real growth for the first half of 2016 currently seems rather unlikely.

The current economic development continues to reflect our expectations for the current financial year. Overall, we are cautiously optimistic in our outlook for the 2016 financial year.

For example, the technotrans Group made a tentative overall start to the 2016 financial year. At EUR 30.4 million, the companies of the group did not achieve growth compared with the first three months of the previous year and consequently also fell short of the strong preceding quarter by 2.7 percent.

For the first time, the revenue components from outside the printing industry were unable to contribute to year-on-year growth. After the especially strong start to 2015, the group of companies was EUR 0.7 million down on the previous year. By contrast, business with customers from the printing industry remained healthy in the first three months and print industry revenue grew year on year by EUR 0.6 million. Overall, the weak start to the current financial year in the Technology segment had a particularly noticeable impact. Revenue of around EUR 20.0 million was 3.5 percent down on the reference quarter. To a large extent this development was counterbalanced by another strong performance for service business, which grew 5.7 percent compared with the first quarter of 2015.

The operating result of EUR 2.1 million for the same period was down EUR 0.2 million on the previous year. The EBIT margin consequently reached only 6.8 percent, compared with 7.5 percent in the previous year. The fall in the result as reported is attributable especially to exchange rate differences in the measurement of intragroup assets and liabilities at the reporting date.

After adjustment for exchange rate differences, the group's financial performance actually improved year on year from EUR 2.1 million to EUR 2.3 million. The adjusted EBIT margin for the first quarter is thus again in line with expectations for the 2016 financial year, for which we have forecast a figure of between 7.5 and eight percent.

Revenue for the technotrans Group in the first three months of the 2016 financial year came to EUR 30.4 million in total; this was broadly on a par with the previous year.

In the **Technology segment** we generated revenue of almost EUR 20.0 million in the first quarter of this year. While the revenue and order situation in the printing industry remained healthily steady, the other technology markets were unable to maintain the very high level of the first three months of the previous year. There had already been signs of a weaker start to the year at the end of the past financial year, above all in the laser industry and mechanical engineering business areas. The reversal therefore comes as no surprise to technotrans. Compared with the final quarter of 2015, there was in fact a slight rise in business outside the printing industry. We remain cautiously optimistic about the coming months.

The operating result (EBIT) in the Technology segment slipped from EUR 0.6 million at the start of the year to EUR 0.4 million. The rate of return for the segment consequently reached only 1.8 percent, compared with 3.0 percent in the previous year. As well as the revenue volume, especially the slightly higher fixed costs along with the negative exchange rate differences from reporting date measurement compared with the previous year had a significant impact on the segment's earnings situation in the period under review.

The **Services segment** put in a successful business performance in the first three months of 2016. Revenue came in at EUR 10.4 million, 5.7 percent up on the equivalent quarter of the previous year. Within the segment, the increase was driven both by follow-on business in the technology markets and by pleasing revenue growth from technical documentation business. The Board of Management adheres to its expectation of growth for the remainder of the year.

The Services segment confirmed the healthy financial performance in the first quarter. After three months, the result for the segment was EUR 1.7 million and was therefore on a par with the prior-year level. This figure includes the elevated costs of consultancy services in connection with the acquisition of Ovidius GmbH announced at the start of April. The rate of return for the segment in the reporting period reached 16.3 percent, down from 16.9 percent.

## Key performance indicators for Q1 2016

Earnings per share outstanding at the three-month mark were EUR 0.22. The consolidated result after tax for the period under review came to EUR 1.5 million, on a par with the prior-year period. The return on sales remained stable at 4.8 percent.

The balance sheet total of the technotrans Group grew by 3.1 percent overall at March 31, 2016 to EUR 78.4 million. Equity rose by 2.4 percent to EUR 52.9 million. The equity ratio at the reporting date of March 31, 2016 is therefore 67.5 percent.

Net debt as recognised on the balance sheet has again developed very healthily. At March 31, 2016 net liquidity showed a year-on-year improvement from EUR 7.9 million to EUR 12.9 million.

Operating activities in the first quarter generated a cash flow of EUR 1.5 million, compared with EUR 3.4 million in the previous year. Measured against 2015, the changes in working capital in the period under review resulted in an overall cash outflow of EUR 0.6 million.

Ladies and Gentlemen,

Despite a quiet start to the new financial year, we reaffirm our expectation for the technotrans Group that revenue will reach between EUR 126 and 132 million, with the EBIT margin in the range of 7.5 to 8.0 percent. After adjustment for exchange rate differences the operating result (EBIT) for the group should rise by EUR 1 to 2 million in 2016.

We are confident of achieving our targets, assuming the economic climate remains on an even keel.

With that, I would like to hand you back to Henry Brickenkamp, who will now provide a deeper insight into our new target markets and report on the longer-range prospects for technotrans.

Thank you for your attention.

## **Henry Brickenkamp**

### **Outlook**

Ladies and Gentlemen, the global economic environment for the current financial year of 2016 presents us, too, with particular challenges. Even if the underlying situation is anything but ideal, as Mr Engel has already described, we are still optimistic that we will be able to maintain our growth trajectory in the new financial year of 2016.

Here is the outlook in brief for our four business areas:

On the back of a very strong first quarter, everything points towards 2016 being a very good year for our business with manufacturers of offset, digital and flexographic printing presses. There are particular positives in that the world's largest trade exhibition, the drupa, will be opening its doors in Düsseldorf in just a few weeks. Better still, flying in the face of the usual trend we were able to increase our first-quarter print revenue year on year, even though there is normally the phenomenon of the "drupa lull" in the run-up to the show. Because based on past experience there has always been a sharp dip in revenue before the drupa, with many customers wanting to wait for the show as an ideal opportunity to buy the latest technology. So in a drupa year, the bulk of revenue is always registered towards the end of that year.

What is more, we have successfully increased our market shares in all three areas in recent years. We have been involved in almost all new developments by printing press manufacturers and have supplied our customers with precisely the technotrans technology they need for their new products in the areas of dampening solution circulators, temperature control, filtration, and pumping and spraying technology.

Ladies and Gentlemen, if you have the chance to visit this exciting show in Düsseldorf, please take that opportunity and be impressed by technotrans' presence on our customers' stands. Because one thing is certain: the many ways in which our customers are diversifying and innovating will create fresh impetus for sales, all to the profit of technotrans.

Our second-largest business area, mechanical and plant engineering, revealed a mixed picture upon closer examination. In our field of business involving laser manufacturers, a further fall in demand for CO2 lasers, several delayed product launches in the fibre laser market and generally slack China business adversely affected the business performance of our subsidiary KLH in Bad Doberan. However in light of a substantial rise in the level of orders from this area, we remain optimistic that we will be able to make up for the weak start to the financial year.

By contrast, the market and therefore also revenue in the diode laser area, which technotrans serves mainly through our subsidiary Termotek, is developing excellently. After a record year in 2015, Termotek again set new revenue records in the first quarter of 2016.

The classic mechanical engineering sector, with its manufacturers of cutting, turning, honing, lapping, polishing and stamping machinery, also experienced mixed fortunes at the start of the year. While the revenue performance for stamping and forming technology was down on the previous year due to

uncertainty triggered by the emissions scandal in the automotive industry, business in the area of 3D printing in particular, or to be more precise, for additive manufacturing procedures, made very healthy progress. The driving forces here were the many ways of using additive manufacturing procedures to make components or products that exhibit superior rigidity but contain less material. All in all, we expect to achieve growth in the mechanical and plant engineering area, too, in 2016.

In our third segment, what we call the future markets, we are still awaiting the production start in the semiconductor area. As a supplier of refrigeration technology for the production facilities for the next chip generation, and in the capacity of development partner to a leading laser manufacturer, we have accessed a growth area that will give a major lift to our organic growth after the production start.

In the sphere of scanner technology for safety systems at airports, we are already progressing along the ramp-up curve. New security rules mean scanner technology that probes baggage items even more precisely and with a lower error rate will be needed in future. The good news for technotrans is that this will generate considerable demand for refrigeration technology.

Finally, I would also like to say a few words about our activities in the battery technology sector. Over the past few years we have been developing and supplying mainly refrigeration technology for battery-powered trams, but have now also acquired a reputation among producers of charging stations and bus manufacturers. Even if the revenue in this segment is not yet overly significant, we are already a key player in one of the major areas of the future.

Ladies and Gentlemen,

All the products that we offer in the wide range of markets covered by our customers have one thing in common: they all need regular service over their entire lifespan. With its background in the service-intensive products that we have already been supplying to the printing industry for decades, technotrans is conspicuously well-placed to provide this. We have capitalised on this and will continue to do so in offering our customers precisely the service they require, regardless of which industry they operate in. There is impressive evidence of our achievement in that respect in our figures for the 2015 financial year and also the first-quarter figures for 2016.

It remains our intention to accelerate our growth through suitable acquisitions. The acquisition targets that we envisage are primarily mid-cap businesses that either already supply products that complement our own to existing market segments, or will give us access to new market areas across our entire product range. Even if the pool of potential takeover candidates is currently quite sizeable and we are conducting a large number of discussions, we will nevertheless carefully weigh up the opportunities and risks in light of the prices being asked.

For example, we were recently able to announce the takeover of 51 percent of Ovidius GmbH along with its subsidiary Easy Browse. Ovidius GmbH develops XML-based content management editorial

systems, and as such complements the product portfolio of gds GmbH. First-time consolidation of its trading figures will take place in the second quarter.

All in all, however, even without acquisitions we consider ourselves to be excellently placed and believe we have the potential to reach a magnitude of EUR 150 million in the next two to three years.

Ladies and Gentlemen, a few things are progressing exactly according to plan, a few things better, and a few things fall short of our expectations. We are active in many areas, and are constantly tapping new ones. technotrans today is a broad-based operation and as such is better prepared to cope with industry crises. We have demonstrated our mastery of the game. We could not have achieved all this without our many employees, nor without the support of our Supervisory Board and our shareholders, many of who have been on board for so many years.

I would like to take this opportunity to thank all those parties, including on behalf of my Board of Management colleagues Mr Engel and Dr Soest, and now look forward to sharing further ideas with you during the debate.