# Excerpts from the 2015 Annual Report

### IBC Enterprises

### Published January 31, 2016

Corporate Overview

The electronics industry has seen dramatic change in the last decade, due to the dramatic technological advances in the computer industry. IBC Enterprises has evolved from a small, regional company to a major corporation.

## Acquisitions

On March 1, 2015, IBC Enterprises completed the UniSystem Corporation acquisition. With this acquisition, IBC Enterprises gained a new manufacturing plant in Tulsa. During the remainder of 2015, we implemented a new computer system at that plant. Although production decreased by 35 percent during this time, we anticipate the plant will be back to its previous production capacity by the end of the first quarter in 2016. By the end of 2018, the plant should operate at 20 percent above its original capacity.

## Operating Results

The past several years have been challenging due to the economy. Earnings from continuing operations decreased dramatically during 2013 and slightly increased in 2014. However, the company, as well as the industry, started to see economical improvements in 2015. IBC Enterprises recorded $505 million in earnings from continuing operations, compared to $480 million from 2014. This represents a 5.2 percent increase. The following chart shows the earnings from continuing operations for the past five years.

## Dividends

After preferred stockholder dividends were paid, common-share stockholders received a 10 percent increase in dividends over last year’s dividends. Dividends of $11.28 per share were distributed. The following table shows the dividends per share for the past five years.



## Capital Expenditures

IBC Enterprises projects capital expenditures for 2016 to be over $300 million, compared to $265 million in 2015, as shown in the following table. Expenditures are projected to increase due mainly to projects aimed at increasing our competitiveness and efficiency in production.

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**New Company Officers**

Due to the UniSystem Corporation acquisition, several talented directors were added to our organization. The Board of Directors voted unanimously to reorganize the executive levels, incorporate new talent where possible, and add two Vice President positions. The chart below describes the new Executive branch.