

Interim Report, 31 March 2006

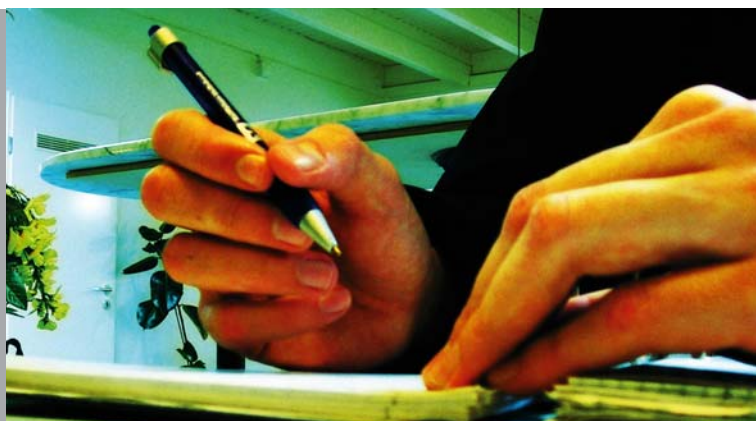
Q1/06



Viscom AG

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Key Figures

	Mar. 31 2006	Mar. 31 2005
Revenue	13,075 K€	12,007 K€
Operating income / loss	2,864 K€	2,125 K€
Financial result	83 K€	-43 K€
Income taxes	-1,218 K€	-843 K€
Period net income	1,730 K€	1,239 K€
Number of shares	67,200	67,200
Earnings per share (diluted and undiluted based on 67.200 shares) in €	€ 25.74	€ 18.44
Number of employees	296	248





**Viscom Board Members (l. to r.)
Ulrich Mohr, Volker Pape, Dr. Martin Heuser,**

Foreword by the Board Members

Dear shareholders,
ladies and gentlemen,

Since May 10 2006, the Viscom AG has been listed on the Prime Standard of the German Stock Exchange. Therefore we take great pleasure in relaying to you this first interim report of the Viscom AG.

The Viscom Group has been successfully initiated in the year 2006. With a revenue of €13.1 million Viscom exceeded the exceptional first quarter January to March 2005 by 8.9%. The accompanying profitability rose even more clearly: EBIT reached €2.9 million - an improvement of 34.8% compared to last year's first quarter.

We have also attained a further milestone in production: in the first quarter we began serial production of the optical inspection system S6056. This inspection system is the successor to the previous major sales item over the last four years, the S6055 system, and presents a significant improvement in the inspection of printed circuit boards.

The absolute highlight of the inspection system S6056 is the application of three different inspection concepts, each of which can be applied according to the customer's specifications. This unique inspec-

tion concept makes possible an enormous increase in throughput in electronics production, which can be utilized according to customer requirements and further secures our company a top ranking when compared to the competition.

With share issue proceeds from the initial public offering of roughly €43 million, the Viscom AG is optimally positioned to direct further future-oriented investments towards technological development as well as worldwide sales opportunities. Therefore we are convinced, the durable growth potential of the electronics market is ours to capitalize upon and build our market share into. We see the further development of our undertaking with optimism.

For your support and further accompaniment along the way, we thank you gratefully.

Yours sincerely,



Dr. Martin Heuser



Volker Pape



Ulrich Mohr

The Viscom Share

ISIN	DE0007846867
Placement structure	2.3 million shares from a capital increase 0.25 million shares from previous shareholdings
Greenshoe	up to 0,35 million shares from previous holdings
Number of shares	9.02 Mio. shares
Market segment	Prime Standard, Frankfurt Stock Exchange
Freefloat	up to 32.15%
Issuing price	18.50 €
Initial listing	20.40 €

Since the tenth of May 2006 Viscom has been listed on the stock market. All of the 2.9 million shares offered were successfully placed at the upper end of the bookbuilding range at a price of €18.50. The initial listing price of the shares reached €20.40 and so landed at 10.3% over the issuing price.

The eightfold oversubscription of the issue reflects the strong interest brought to the shares by institutional investors from Germany and other European countries, as well as that shown by private investors from Germany.

A 2.3 million share majority of the placement came from a capital increase. 0.6 million shares including a greenshoe option of 0.35 million shares came

from previous holdings of the company founders Dr. Martin Heuser and Volker Pape. Approximately 13% of the Viscom shares went to private investors. Around 1.2% of the placement volume was placed in a prioritized allocation to employees of Viscom and to business associates of the Viscom Group.

After the IPO and exercise of the greenshoe option the freefloat will amount to 32.2%. 64.1% will remain held by the founders and 3.7% stay with employees and persons associated with the company.

Business Development

Revenue and Earnings Development

In comparison to the unusually strong first quarter 2005 the Viscom Group further increased revenues by 8.9% from €12.0 million to €13.1 million. Within the same period of time, Viscom improved Earnings before Interest and Taxes (EBIT) from €2.1 million in the initial quarter of 2005 to €2.9 million in the first three months of 2006 - a rise of 34.8%.

The EBIT margin reached 21.9% and so posted a gain of 4.2%-points compared to the first quarter 2005. This advantageous development results from the accomplishment of favourable purchasing conditions and scalability of the business model as well as customer and product structuring during the time frame of this report. Both the customer and the product structure are subject to temporary alterations which can lead to deflections in the EBIT margin during the course of a year.



Order situation

The Viscom AG received over €11.0 million in orders in the first quarter of 2006. With this the customers of the Viscom AG placed 10% more orders than in the first quarter of last year. At €6.4 million the order situation by March 31 2006 stood slightly under that of the the previous year (€7.0 million) and so reflects the sector-wide tendency towards much shorter delivery terms.

Financial and Assets Situation

Cash flow from operating activities rose to €2.7 million in the first quarter 2006 as compared to €330 thousand in the first quarter 2005. The background for this significant change is the reduced funds committed to receivables in 2006.

At -€193 thousand the cash flow from investing activities showed itself as relatively stable in comparison to the previous year's first quarter. Included in the cash flow from investing activities are financially effective funds committed to fixed assets by the Viscom AG.

Cash flow from financing activities improved from -€83 thousand to -€21 thousand. The grounds for this distinct improvement are positive developments in interest received based on a very good liquidity situation.

The evident liquidity influx shows in the increased cash and cash equivalents. At the end of the report period the Viscom Group had available liquid funds in the amount of €13.8 million.

By March 31 2006 the equity ratio of the Viscom AG amounted to 56.7%. The annualized return after taxes of the Viscom Group reached 31.6% in the first quarter of 2006.

Viscom has not undertaken liability to credit institutes during the report period. Remaining credit capital in the amount of €1 thousand is expected to be retired in the second quarter of 2006.

Employees

Within this report period the Viscom AG engaged 30 persons to raise its number of employees to a current 296. With this targeted addition to its workforce Viscom lays the groundwork for continued growth of the corporation.



As of March 31 2006	AG	USA	Singapore	France	Total
Total	263	14	13	6	296
Full time	242	14	13	5	274
Part time	17	0	0	1	18
Interns/students	4	0	0	0	4
Additional trainees	13	0	0	0	13

Segment Information

Geographic segments comprise the primary format for segmental market reporting by the company, with geographic segments determined by the location of customers. With revenues of €9.1 million and a 69.5% portion of overall revenues Europe is the major sales market of the Viscom Group.

While revenues compared to the especially strong previous first quarter showed a slight decrease of 4.5%, Viscom raised the EBIT 39.6% to €2,5 million, to take the EBIT margin from 19.0% in the first quarter 2005 to its present 27.8%.

Information to the geographic segments according to sales market (in K€)	Europe		Asia		America		Total	
	Jan. – Mar. 2006	Jan. – Mar. 2005	Jan. – Mar. 2006	Jan. – Mar. 2005	Jan. – Mar. 2006	Jan. – Mar. 2005	Jan. – Mar. 2006	Jan. – Mar. 2005
	Revenues	9,076	9,500	1,628	590	2,371	1,917	13,075
Segmental earnings (EBIT)	2,522	1,806	192	122	150	197	2,864	2,125
Financial result (+)	87	1	0	0	-3	-44	84	-43
Income taxes (-)	1,138	827	38	14	42	2	1,218	843
Consolidated earnings	1,471	980	154	108	105	151	1,730	1,239

Asia showed especially strong growth in the first quarter 2006 with a 176% increase in revenues compared to the first quarter of 2005, from €590 thousand to €1,6 million in the first three months of 2006. This portion of company revenues also climbed from 4.9% to a current 12.4%. This increase impressively reveals the dynamic state of the Asian market and underscores the future growth potential in this region. The Viscom Group raised its EBIT in Asia from €122 thousand in the first quarter 2005 to €192 thousand in the first quarter of 2006 with a concurrent EBIT margin of 11.8%.

In America Viscom raised revenues by 23.7% to €2,4 million in the first quarter 2006. The portion this market had in total revenues rose from 15.9% to the current 18.1%, indicating the growing international presence of the Viscom Group. Conditioned by higher expenditures for personnel and marketing, EBIT was reduced to €150 thousand from €197 thousand in the previous first quarter. These additional investments position Viscom to actively take part in shaping the growth potential expected in the American market.

Outlook

The Viscom Group engages itself in a sustainable growth market. Worldwide, the megatrend electronics vigorously strengthens the growth and earnings potential of the Viscom Group. More and more increasingly, technology expands into all spheres of life and the demands for quality in technology rise steadily. With their superlative innovation strengths and technological leading edge, the Viscom Group is optimally prepared to benefit over-proportionally from this trend.

The successful stock market entry by the Viscom Group on May 10 2006 enabled an influx of funding amounting to €42,5 million. With this, Viscom is

in the position to carry forward numerous future-oriented investments and noticeably accelerate a dynamic future growth. With two additional applications centers, further inroads into the booming Asian electronics market will be made.

An additional applications center will strengthen the Viscom presence in America and open up new market potential. Product development in the area of computer tomography will likewise be spurred onwards. The goal is the development of an automatic computer tomography system.



IFRS Consolidated Financial Statement of the Viscom Group as of March 31 2006

Profit and Loss Statement

Profit and Loss Statement	01 01 –31 03 2006 K€	01 01 –31 03 2005 K€
Revenue	13,075	12,007
Other operating income	196	182
	13,271	12,189
Changes in inventories of finished and unfinished goods	1,568	919
Costs of purchased materials and services	-5,928	-5,520
Personnel expenses	-3,722	-3,158
Depreciation and amortization	-159	-132
Other operating expenses	-2,166	-2,173
Total operating expenses	-10,407	-10,064
Operating income / loss (EBIT)	2,864	2,125
Interest income	91	8
Interest expenses	-8	-51
Income taxes	-1,217	-843
Profit or loss from ordinary activities	1,730	1,239
Period net income / loss	1,730	1,239
Earnings per share (diluted and undiluted based on 67,200 shares)	25.74	18.44

Balance Sheet

Assets	31 03 2006	31 03 2005
	K€	K€
Current Assets		
Cash and cash equivalents	13,757	11,286
Trade accounts receivable	11,052	13,285
Inventories	10,228	8,760
Prepaid expenses and other current assets	784	636
Total current assets	35,821	33,967
Non-current assets		
Property, plant, and equipment	1,861	1,815
Intangible assets	46	48
Investments	9	70
Deferred taxes	788	843
Total non-current assets	2,704	2,776
Total assets	38,525	36,743



Liabilities and Shareholders' Equity	31 03 2006	31 12 2005
	K€	K€
Current liabilities		
Short-term debt and current portion of long-term debt	1	49
Trade accounts payable	1,740	1,031
Advanced payments received	293	815
Accrued liabilities	3,511	3,541
Income tax liability	7,282	6,338
Other current liabilities	3,747	4,365
Total current liabilities	16,574	16,139
Non-current liabilities		
Deferred tax liabilities	106	273
Total non-current liabilities	106	273
Shareholders' equity and reserves		
Share capital	67	67
Capital reserves	7,913	7,913
Retained earnings	13,907	12,177
Currency adjustments	-42	174
Total equity and reserves	21,845	20,331
Total equity and liabilities	38,525	36,743

Cash Flow Statement

Cash Flow Statement	01 01– 31 03 2006 K€	01 01 – 31 03 2005 K€
Cash flow from operating activities		
Profit after interest and taxes	1,730	1,239
Taxes on income (+)	1,217	833
Interest expense (+)	8	51
Interest income (-)	-91	-7
Depreciation (+)	158	132
Increase (+) / decrease (-) in provisions	-29	583
Profit (-) / loss (+) on disposal of property, plant and equipment	-10	2
Increase (-) / decrease (+) in inventories, receivables and other assets	633	-2,575
Increase (+) / decrease (-) in trade and other payables	-525	107
Income tax paid (-)	-388	-36
Net cash flow from operating activities	2,703	329
Cash flow from investing activities		
Proceeds (+) from property, plant and equipment	16	17
Acquisition (-) of property, plant and equipment	-209	-203
Net cash flow to investing activities	-193	-186
Cash flow from financing activities		
Repayment (-) of long-term loans	-48	-39
Interest paid (-)	-4	-51
Interest received (+)	31	7
Cash flow from financing activities	-21	-83
Cash flow changes due to exchange rate fluctuation	-18	67
Cash and cash equivalents		
Net increase in cash and cash equivalents	2,471	127
Cash and cash equivalents at the end of the fiscal year 2005/2006	11,286	5,319
Cash and cash equivalents	13,757	5,446

Shareholders' Equity

Equity	Share capital K€	Capital reserve K€	Currency adjustments K€	Net retained earnings K€	Total K€
Equity Jan. 01 2005	67	7,659	-105	6,995	14,616
Currency adjustments	0	0	99	0	99
= Non-operating result	0	0	99	0	99
+ Profit for the year	0	0	0	1,239	1,239
Equity Mar. 31 2005	67	7,659	-6	8,234	15,954
Equity Jan. 01 2006	67	7,913	174	12,177	20,331
Currency adjustments	0	0	-216	0	-216
= Non-operating result	0	0	-216	0	-216
+ Profit for the year	0	0	0	1,730	1,730
Equity Mar. 31 2006	67	7,913	-42	13,907	21,845



Notes

The Viscom AG has their headquarters in Hanover, Germany and is registered in the Trade Register there under the number HRB 59616. Their business address is Viscom AG, Carl-Buderus-Str. 9 - 15, 30455 Hanover DE.

The business activities of the company consist of the development, production and sales of automated inspection systems for industrial production. Inspection is accomplished by computer-based optical and/or X-ray comparison of inspected objects with required specifications based in the inspection system.

Statement of Conformity

This interim financial statement for the first quarter of 2006 was prepared on the basis of uniform application and conform to the International Financial Reporting Standards (IFRS) applicable at the financial closing date, and in particular to IFRS 34.

Basic Principles

The IFRS Interim Financial Statement is expressed in €. The tables were generally prepared in thousands of euros (K€).

The same accounting, appraisal and calculation methods as in the company financial statements 2005 were applied.

Gain and loss calculations were calculated by the total expenditure method.

Current and non-current assets listed in the balance sheet were differentiated according IAS 1. Assets and debts were accounted for as current insofar as they are due within a year.

IFRS accounting requires certain assumptions and estimates to be made in company financial statements which are included in the amounts of the entered assets, debts, earnings and expenditures and contingent liabilities values. Actual developments may therefore differ from these values.

Currency Differences

In the category operating earnings and expenditures are contained price differences to the date Mar. 31 2006 in the amount of €69 thousand (previous year, €95 thousand).

Events after Closing

Events of particular significance occurring after the intermediate report closing date Mar. 31 2006 are mentioned: Two capital increases with the consensus of the board from Apr. 13 2006 as well as the successful stock market entry on May 10 2006.

Financial Calendar



▪ May 30 - June 1	SMT	Nuremburg
▪ June 1-2.....	JPCA Show	Japan
▪ July 11-13	Semicon West	San Francisco
▪ August 2006	Half Year Report 2006 / Telephone Conference	Hanover
▪ August 29 - September 1	Nepcon	Schenzen
▪ October 10-13	Global Tronics	Singapore
▪ October 17-19	Forum de l'Electronique	Paris
▪ October 25-28	Phil Tronics	Phillippines
▪ November 2006	German Shareholders' Forum, German Stock Market AG	Frankfurt
▪ November 7-9	Vision	Stuttgart
▪ November 14-17	Electronica	Munich
▪ November 2006	Nine Month Report / Telephone Conference	Hanover

Viscom AG

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Hans E. Damisch (Vice-Chairman)
Prof. Dr. Claus-Eberhard Liedtke

Executive Board: Dr. Martin Heuser
Volker Pape
Ulrich Mohr

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Commercial Registry: Amtsgericht Hannover HRB 59616

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Viscom Inc., Atlanta, Georgia, USA
Viscom Machine Vision Pte Ltd., Singapore



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