

Interim Management Report as of 31 March 2010



25
 **VISCOM**
vision technology

25 Years
of Excellence

Viscom AG: Outlook for 2010 still positive

Viscom AG develops, builds, and markets premium quality automatic optical and X-ray inspection systems for use in industrial electronics production and is one of the leading providers in the world. Viscom inspection systems are used in almost every sector of the electronics industry.

General business development

After the global economic crisis had significantly impacted Viscom AG's business development in the past year, the market showed increasing signs of recovery in the first quarter of 2010. The willingness to invest has increased again in the markets most important to Viscom AG, particularly the automotive supplier industry, and also our key customers have started investing again.

Viscom AG also managed to reduce its dependency on the automotive supplier industry and obtain more orders from the communications and EMS sector. We are also pleased with the large demand for our cutting-edge, high-end X7056RS inspection system, which combines optical and X-ray inspection technology and offers significant advantages for the inspection of electronics components due to its considerable measuring depth and speed.

The improved overall economic conditions helped us increase the number of incoming orders in the first quarter of 2010 by around 77 % year on year. The positive development of the Asian business is particularly worth mentioning. At the end of the first three months of 2010, incoming orders in this region were already 78 % up on total revenue in the 2009 financial year.

The low order backlog at the end of the year compared to previous years still impacted Viscom AG's revenue and results of operations in the first two months of the current financial year. In March 2010, revenue increased significantly compared to the previous months, as the number of incoming

orders increased. The restructuring of the Group in 2009 and the consistent cost cutting measures had a positive effect on the development of earnings. In combination with the reduced working hours at Viscom's Hanover site this led to a considerable reduction in staff costs compared to the previous year. Other operating expenses also dropped significantly year on year. Business development in previous years has shown that the first quarter is always the weakest of the financial year in terms of revenue and earnings. Results of operations in the first quarter of 2010 were already considerably better than in 2009 and revenue was within our plans for the year.

Earnings and financial position

Group revenue for the first quarter of 2010 amounted to € 5,102 thousand, which was lower than in the previous year (€ 5,471 thousand). Earnings before interest and taxes (EBIT) were € -1,569 thousand, a significant improvement compared to the previous year (€ -2,866 thousand) and the result of cost cutting measures.

In the first three months of 2010, customers placed orders to the value of € 7,830 thousand with Viscom AG. Incoming orders were therefore significantly up year on year (previous year: € 4,435 thousand). Order backlog at the end of the first quarter of 2010 was € 7,983 thousand (Q1 2009: € 5,162 thousand).

With an equity ratio of 87.8 %, Viscom AG continues to show a very positive equity base at the end of the first quarter of 2010 (Q1 2009: 88.1 %).

Outlook

Viscom AG is one of the market leaders in the technology sector. We are investing large sums in research and development to maintain this status. One of our most important projects is the development of a new type of user interface for all Viscom inspection systems, which is going to make their operation even more intuitive. The new user-friendly interface will be introduced in mid-2010.

After the losses in 2009, we are aiming to break even in 2010 and increase revenue to € 30 million.

Whether or not Viscom AG achieves this goal depends on the future development of the global economy and the order behaviour of our customers.

Hanover, 12 May 2010

The Executive Board

Dr. Martin Heuser Volker Pape Ulrich Mohr

Key figures of Viscom AG

Key figures (K€)	01.01.– 31.03.2010	01.01.– 31.03.2009
Revenue	5,102	5,471
EBIT	-1,569	-2,866
Financial result	87	80
Income taxes	114	71
Net profit for the period	-1,368	-2,715
Earnings per share	€ -0.15	€ -0.31
Number of employees	264	361

Key figures (K€)	01.01.– 31.03.2010	01.01.– 31.12.2009
Current assets	39,300	43,113
Non-current assets	8,144	5,005
Current liabilities	5,561	5,045
Non-current liabilities	229	231
Balance sheet total	47,444	48,118
Shareholders' equity	41,654	42,842
Equity ratio	87.8 %	89.0 %
Cash flow from operating activities	-627	1,757
Cash flow from investing activities	-2,630	-2,635
Cash flow from financing activities	0	-26
Cash and cash equivalents	22,177	25,322
Financial assets	5,333	2,159

Segment information

Key figures (K€)	01.01.– 31.03.2010	01.01.– 31.03.2009
Europe		
Revenue	3,805	4,336
EBIT	-1,223	-2,457
Asia		
Revenue	907	305
EBIT	-148	-225
Americas		
Revenue	390	830
EBIT	-198	-184

Any forecasts, speculations or statements regarding future events included in this report may contain risks and be of unreliable nature. We can therefore not guarantee that these speculations will prove true. Actual results and developments may vary greatly from the expressed speculations and assumptions. Factors that could cause actual results to differ from forecasts include, amongst others, changes in the general economic environment and competition, exchange rate and interest rate fluctuations, changes of national and international laws. The Company does not assume any responsibility for updating the statements contained in this report.



■ **Head office**

Viscom AG
Carl-Buderus-Straße 9-15
30455 Hanover
Germany
Phone: +49 511 94996-0
Fax: +49 511 94996-900
info@viscom.de

■ **Contact Investor Relations**

Viscom AG
Sandra M. Göde
Carl-Buderus-Straße 9-15
30455 Hanover
Germany
Phone: +49 511 94996-850
Fax: +49 511 94996-555
sandra.goede@viscom.de

www.viscom.com