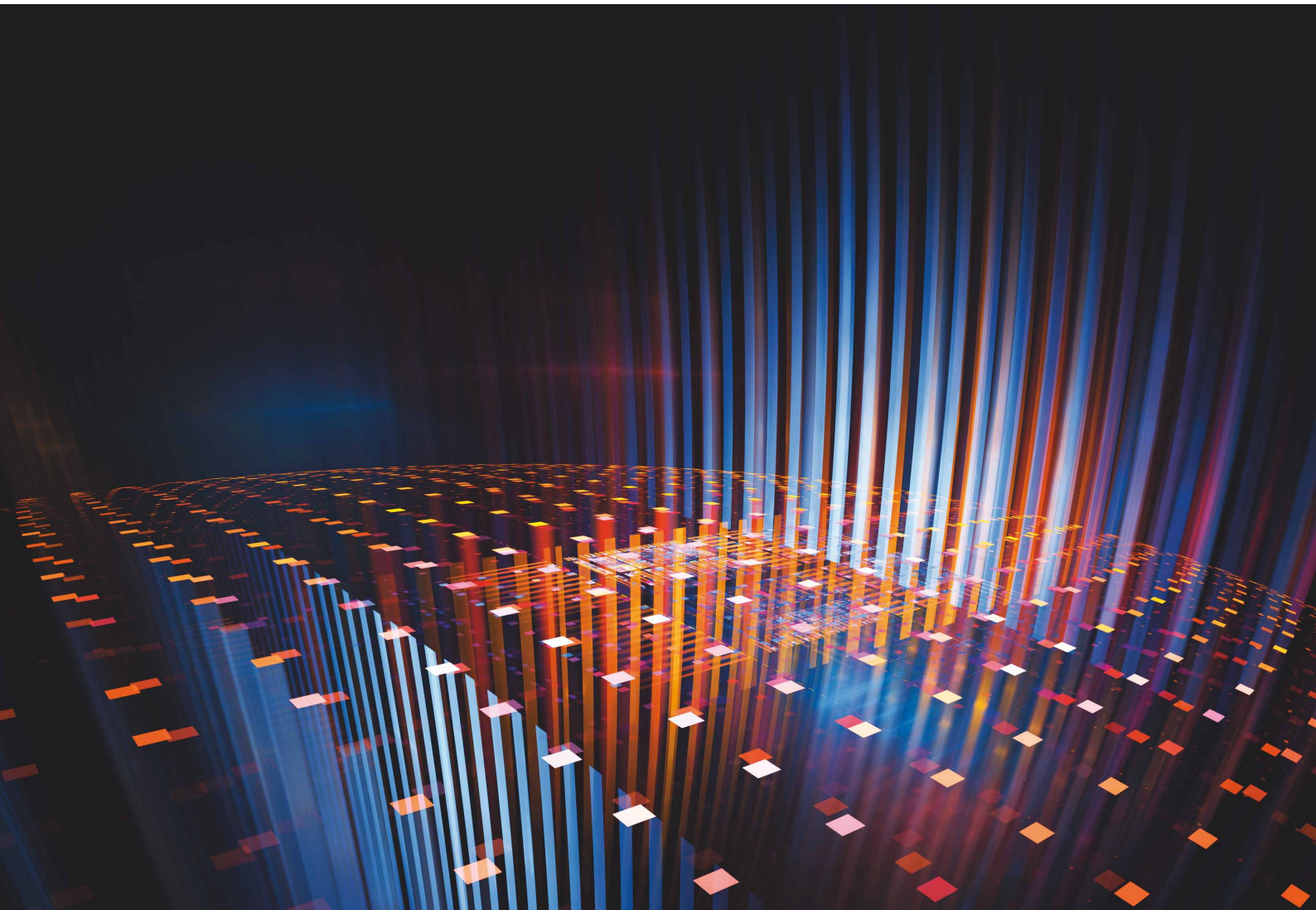


A QUESTION OF PERSPECTIVE.  
VISION TECHNOLOGY.



**INTERIM REPORT**  
as of 31 March 2016

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# OPERATING FIGURES

## Profit and loss

		3M 2016	3M 2015
Revenues	K€	11,124	17,195
EBIT	K€	-1,221	2,514
Net profit for the period	K€	-1,326	1,782

## Balance sheet and cashflow statement figures

		3M 2016	3M 2015
Total assets	K€	57,861	66,790
Equity ratio	%	81.5	83.9
CF from current business	K€	-423	2,473
CF from investment	K€	-530	-601
CF from financing	K€	0	0
End of period capital	K€	10,862	19,118

## Shares

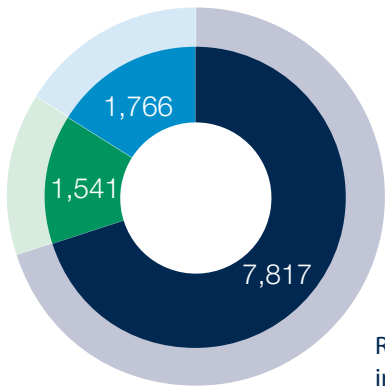
		3M 2016	3M 2015
Result per share	€	-0.15	0.20

## Employees

		3M 2016	3M 2015
Employees on 31 March		369	338

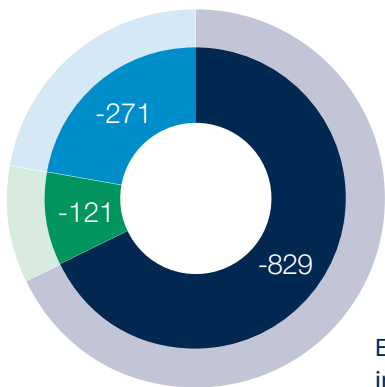
# SEGMENT INFORMATION

# FIGURES 3M 2016



Revenue in K€

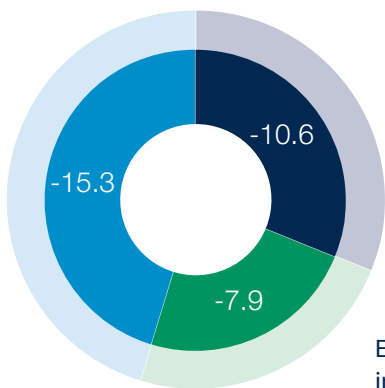
11,124  
Revenue in K€



EBIT\* in K€

14,792  
Incoming orders in K€

-1,221  
EBIT in K€



EBIT-Margin\* in %

-11.0  
EBIT-Margin in %

■ Europe ■ Americas ■ Asia

81.5  
Equity Ratio in %

\* in consideration of consolidation differences

# FOREWORD FROM THE EXECUTIVE BOARD

*Dear Ladies and gentlemen,*

The start to the 2016 financial year was characterized in the first quarter by a greater reluctance to invest of the Viscom Group's customers compared to the same period in the previous year. With an order volume of € 14,792 thousand, we were able to generate solid incoming orders – by overall comparison with corresponding quarters – but still lagged the particularly strong previous year's quarter by around 7 %. Revenue was down by roughly 35 % compared to the first quarter of 2015. However, the figure for the current financial year is nonetheless adequate for a first quarter. From a historical point of view, the first three months are generally the weakest revenue periods for the Group. In addition, 2015 saw a particularly strong first quarter which was hard to beat and also represented an exception in the past in terms of scale. The operating result and corresponding EBIT-Margin were also negatively impacted by the weaker revenue, strong build-up of inventories and higher personnel costs. After the end of the first quarter, fortunately, a strong increase appeared in the order behaviour of our customers: Till the end of April we already registered incoming orders in the amount of € 24,167 thousand (previous year: € 20,347 thousand), which were up 18.8 % compared to the corresponding last year's value.

Nevertheless, the interim result is positive. On the one hand, we succeeded in joining initial benchmarks in Computer, Communication and Consumer and were also able to prevail against strong international competition in terms of procurement in automated X-ray inspection with one of our main customers. In a benchmark test, the Viscom X-ray system demonstrated a huge degree of flexibility in 3D, 2.5D and 2D X-ray inspection in addition to maximum inspection depth with excellent image quality. The inspection of single and double-sided surface

mounts is another key feature of the system. The new flat panel detector technology also performed excellently in fault detection and image at high throughput. Thanks to this successful and state-of-the-art inspection solution, we were able to position ourselves as an exclusive supplier for X-ray inspection systems for the next five years. We were able to achieve similarly good results with another customer in conformal coating inspection. These successes represent good earnings potential for the future and once again confirm our technical expertise in inspection and electronics production.

Ladies and gentlemen, in future we will remain on a clear path focused on growth. We want to continue to impress our existing customers, win new customers and primarily expand and strengthen our presence in future-oriented segments by identifying and utilising means of diversification. We are ideally equipped for this with suitable structures and strategies and there is huge interest on the market for our technologies, which is reflected by exceptionally strong incoming orders in April 2016. We therefore confirm our annual forecast of revenue between € 70 million and € 75 million for the 2016 financial year with an EBIT-Margin of 13 % to 15 % despite a weaker start to the year.

We want to thank our employees for their dedication and tireless commitment. We also thank you, our shareholders, in the same measure for your trust and loyalty to Viscom.

The Executive Board



Dr. Martin Heuser



Volker Pape



Dirk Schwingel

# THE VISCOM SHARE

## Basic information on Viscom share

WKN	784686	
ISIN	DE 000 7846867	
Abbreviation	V6C	
Listing	Regulated market (Prime Standard)	
Category	No-par value bearer common shares	
Share capital in €	9.02 million	
Share capital in units	9,020,000	
Number of voting shares	8,885,060	
High on 15 March 2016 *	€	15.60
Low on 25 January 2016 *	€	12.50
Market capitalisation as of 31 March 2016	million €	126.28
Earnings per share	€	-0.15

\* All share price information is based on XETRA daily closing prices

Global stock markets experienced a weak start to the year. According to media reports, the DAX registered its worst start in 28 years, dropping to a low of 9,314 points on 20 January 2016. The strong fluctuations and downward trends on stock exchanges in January were primarily the result of a growing lack of faith in the power of the Chinese economy, the successive devaluation of the Chinese yuan to the US dollar and the suspension in trading imposed by the Chinese financial regulator. The seemingly unstoppable decline in the oil price also exacerbated the situation. Only from mid-February did a certain degree of calm return to the markets. In March, positive share price performances were registered once again thanks to the improved economic data and higher oil and commodity prices in particular. From January to March, the leading German index, the DAX, fell around 3 % and closed at 9,965 points on 31 March 2016.

## Viscom share price in the first quarter of 2016

The Viscom share performed in line with the general stock market environment during the first three months of the 2016 financial year. After starting the year at € 14.59, the performance of Viscom shares deteriorated during the following weeks and subsequently became more volatile. The ad hoc announcement of preliminary results for 2015 on 23 February 2016 boosted the share price, however. The shares reached a high of € 15.60 on 15 March 2016 and hit an annual low on 25 January 2016, closing at € 12.50. In the first three months of the year, Viscom shares hovered at around an average of € 13.99 and ended the trading session at € 14.00 on 31 March 2016.

## Viscom share price in the first three months of 2016

■ Viscom (Xetra): 95.8 %    ■ DAX (Xetra): 96.9 %    ■ TecDAX (Perf.) (Xetra): 90.7 %



## Shareholder structure

The high degree of involvement by Viscom AG company founders and CEOs Dr. Martin Heuser and Volker Pape shapes the shareholder structure of the company. 59.6 % of the shares are held by Dr. Martin Heuser and Volker Pape, either directly or via HPC Vermögensverwaltung GmbH. Viscom AG owns 1.5 % of its own shares, which the company repurchased in 2008/2009 as part of a share buy-back programme. 9.5 % are held by Allianz. The 29.4 % of shares that are free floating are spread principally among investors in Germany and other European countries.

## Investor Relations

The objective of our investor relations work is to allow all participants in the capital market the opportunity to evaluate Viscom AG fairly. We do this by means of continuous, open communication. All information on Viscom shares is published

as it becomes available on our website at [www.viscom.com/europe](http://www.viscom.com/europe) under Investor Relations.

In addition, you can contact our Investor Relations department directly at the following address:

Viscom AG  
 Investor Relations  
 Anna Borkowski  
 Carl-Buderus-Straße 9 - 15  
 30455 Hanover  
 Germany  
 E-mail: [investor.relations@viscom.de](mailto:investor.relations@viscom.de)  
 Tel.: +49 511 94996-861  
 Fax: +49 511 94996-555

# INTERIM GROUP MANAGEMENT REPORT

## DESCRIPTION OF THE GROUP

### Group business model

#### Structure of the company and its investees

Viscom AG, Hanover (hereafter: Viscom AG), is the parent company of the Viscom Group (hereinafter referred to as Viscom). With subsidiaries in Asia, America, Europe and Africa that are directly or indirectly 100 % owned by Viscom AG, the Group has an efficient, market-oriented organisational structure. All of the companies are focused on their respective customer groups and their requirements. This enables them to act and respond quickly and in a flexible manner. They also benefit from the advantages of belonging to a larger group, thus allowing mutual exchange and utilisation of knowledge and experience. Production takes place exclusively in the Group's home base, Hanover. This means that Viscom enjoys the production advantages of one of the most highly-developed industrial locations, allowing it to guarantee a very high quality level for its products.

In 2001, Viscom GmbH changed its legal form to that of a German stock corporation (Aktiengesellschaft) and became Viscom AG. The company's share capital is divided into 9,020,000 shares, of which 59.64 % are held directly or indirectly through HPC Vermögensverwaltung GmbH by the company's founders and Executive Board members Dr. Martin Heuser and Volker Pape.

Allianz SE, Munich, Germany, informed the company on 16 November 2015 in accordance with section 21 (1) in conjunction with section 24 of the Securities Trade Act (WpHG) as follows:

1. The share of voting rights of Allianz Deutschland AG, Munich, Germany, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, fell below the 3 % and 5 % thresholds on 13 November 2015 and was 0 % (0 out of a total of 9,020,000 voting rights).

2. The share of voting rights of Allianz Lebensversicherungs-AG, Stuttgart, Germany, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, fell below the 3 % and 5 % thresholds on 13 November 2015 and was 0 % (0 out of a total of 9,020,000 voting rights).

3. The share of voting rights of Allianz Asset Management AG, Munich, Germany, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, fell below the 3 % and 5 % thresholds on 13 November 2015 and was 0 % (0 out of a total of 9,020,000 voting rights).

4. The share of voting rights of Allianz Global Investors GmbH, Frankfurt, Germany, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, fell below the 3 % and 5 % thresholds on 13 November 2015 and was 2.06 % (186,128 out of a total of 9,020,000 voting rights). These voting rights were attributable pursuant to section 22 (1) sentence 1 no. 6 of the Securities Trading Act (WpHG).

5. The share of voting rights of Allianz Europe B.V., Amsterdam, the Netherlands, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, exceeded the 3 % and 5 % thresholds on 13 November 2015 and was 7.45 % (671,809 out of a total of 9,020,000 voting rights). These voting rights were attributable to Allianz Europe B.V. according to section 22 (1) sentence 1 no. 1 of the Securities Trade Act (WpHG).

The voting rights attributed to Allianz Europe B.V. were held by the following controlled companies whose voting rights in Viscom AG respectively amounted to 3 % or more:

- Allianz Holding France SAS
- Allianz France S.A.
- Allianz I.A.R.D. S.A.



6. The share of voting rights of Allianz Holding France SAS, Paris, France, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, exceeded the 3 % and 5 % thresholds on 13 November 2015 and was 7.45 % (671,809 out of a total of 9,020,000 voting rights). These voting rights were attributable to Allianz Holding France SAS according to section 22 (1) sentence 1 no. 1 of the Securities Trade Act (WpHG).

The voting rights attributed to Allianz Holding France SAS were held by the following controlled companies whose voting rights in Viscom AG respectively amounted to 3 % or more:

- Allianz France S.A.
- Allianz I.A.R.D. S.A.

7. The share of voting rights of Allianz France S.A., Paris, France, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, exceeded the 3 % and 5 % thresholds on 13 November 2015 and was 7.45 % (671,809 out of a total of 9,020,000 voting rights). These voting rights were attributable to Allianz France S.A. according to section 22 (1) sentence 1 no. 1 of the Securities Trade Act (WpHG).

The voting rights attributed to Allianz France S.A. were held by the following controlled companies whose voting rights in Viscom AG respectively amounted to 3 % or more:

- Allianz I.A.R.D. S.A.

8. The share of voting rights of Allianz I.A.R.D. S.A., Paris, France, in Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany, exceeded the 3 % and 5 % thresholds on 13 November 2015 and was 7.45 % (671,809 out of a total of 9,020,000 voting rights).

On 29 July 2008, the Executive Board, with the approval of the Annual General Meeting on 12 June 2008 and after consultation with the Supervisory Board, decided to acquire up to 902,000 of the company's own shares by 31 March 2009. By the reporting date of 31 March 2009, the company had bought back 134,940 shares. As of 31 March 2016, Viscom AG held approximately 1.5 % of its own shares.

The Executive Board of Viscom AG consisted of three members as of 31 March 2016:

- Dr. Martin Heuser: Technology
- Volker Pape: Sales
- Dirk Schwingel: Finance

The Executive Board is monitored by the three members of the Supervisory Board:

- Bernd Hackmann (Chairman)
- Klaus Friedland (Deputy Chairman)
- Prof. Dr. Ludger Overmeyer

### Segments and key locations

Viscom develops, manufactures and sells high-quality automated inspection systems for use in industrial production. The company's business activities are broken down on the basis of work required for the project-specific adaptation of standard components and systems, as well as the technology used to identify potential production errors using the inspection systems.

In geographical terms, the company's business incorporates the European market with its headquarters in Hanover and a subsidiary in Paris, France; the American market with its subsidiary

in Atlanta, USA; and the Asian market with its subsidiary in Singapore, which in turn has its own subsidiary in Shanghai, China. The sales company in Tunis, Tunisia, a subsidiary of the French subsidiary, is allocated to the geographical segment Europe. The company is developing the North African sales market.

There were no changes in the Group's activities or structure.

#### **Business processes**

The inspection systems are developed and produced at Viscom AG's headquarters in Hanover. This is where all the centralised functions such as business administration, development, production, marketing and sales management are based.

The company's product development activities are focused on fundamental development work for future generations of inspection systems, as well as project-specific development for the adaptation of basic machine types to meet customer-specific requirements.

A large part of production is order-based. This draws on in-house pre-production of various assemblies.

Sales activities are performed by sales employees of Viscom AG and its Group companies, as well as by agents acting on the

market as industry representatives for mechanical engineering firms.

Major business processes are managed and supported with the help of the business software proALPHA. The order processing module included in this system is used by all Viscom locations around the world.

#### **Legal and economic factors**

There have been no fundamental changes in the legal and economic framework which had a material effect on the company in the first quarter of 2016. For more details on the development of the overall economy, please refer to the economic report below.

#### **Management system**

The key performance indicators according to which Viscom is managed are incoming orders, revenue, EBIT (operating profit or segment results) and the EBIT-Margin (EBIT/revenue).

The management of the Group is based on a reporting system that takes the form of monthly reports submitted to management and the heads of the business areas. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies.

The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies. They provide information on revenue in its machine installation regions, the incoming orders, order backlog, the number of employees, cash and cash equivalents, total receivables and receivables from subsidiaries, orders placed for the purchase of goods and the inventories of goods, as well as partially completed and completed systems.

In addition, they provide an overview of employee turnover, sick leave and per capita revenue, as well as key indicators for project management, product development, production and logistics.

The statements contained in the monthly reports are analysed in regular meetings between the company's management and the heads of the business areas. Any action that may be necessary results in decisions which are usually implemented in the short term.

#### **Research and development**

The main focus of development activities is on the further development of existing system solutions as well as the implementation of new market requirements in the field of optical and X-ray inspection processes. The focus of these activities is described in the Annual Report 2015 and did not change during the first three months of the current year.

Expenditures for research and development, excluding customer-specific development, remained at the previous year's level. Development costs totalling € 387 thousand (previous year: € 433 thousand) were capitalised in the first quarter of 2016. Capitalised development costs of € 276 thousand (previous year: € 231 thousand) were written off as scheduled.

# ECONOMIC REPORT

## Macroeconomic and sector development

### Macroeconomic development

Global economic growth was also moderate and unbalanced at the beginning of the year. While industrial companies continued to expand, the development of the economies of emerging markets remained weak and comparatively mixed.

The economy in the Eurozone was characterised by the weak development in private household consumption despite the continued decline in the oil price and registered only moderate growth. Investment activity, on the other hand, increased at the end of the first quarter, which gives rise to hope for a stronger development during the course of the year.

According to the German Institute for Economic Research (DIW), the German economy got off to a strong start to 2016. It continued to be fuelled by high employment and rising wages and private consumption.

After exports from the world's second biggest economy, China, dropped sharply in February 2016 to an extent not seen since the financial crisis, and imports also declined, the Chinese economy has been sending positive signals again since March 2016.

In the US, orders in industry were up sharply, whereas consumer spending subsided.

### Sector developments

Inspection of electronic assemblies is Viscom's main revenue contributor. Consequently, Viscom is primarily represented in the automotive supplier segment within the electronics industry, one of the largest branches of industry in the world.

Technical developments in the electronics industry are an innovation driver for Viscom as in the last few years. Both the volumes and quality requirements of increasingly complex and miniature electronic assemblies are seeing constant growth and can therefore only be reliably tested by automated inspection systems. The automotive electronics sector is the main market for Viscom products.

Viscom intensifies its efforts to gain a foothold in other industries such as telecommunications, industrial electronics and semiconductor production. The company has already established itself with a broader base among SMEs in Europe. The company also continues to focus on Asian Electronic Manufacturing Services (EMS) in the Computer, Communication and Consumer (3C) sector.

The German mechanical engineering sector continues to be heavily dependent on international markets.

### Target sectors, target markets and target customers

The inspection systems Viscom manufactures are employed primarily within the electronics industry. Producers of electronic assemblies are the main customer segment at 85 % of revenue (previous year: 94 %). Some of these companies are involved in production for end consumers. However, the majority of Viscom's customers are suppliers for other companies that manufacture products, like electronic assemblies, which are integrated into end products as parts from suppliers – for example, motor controllers in vehicles.

In addition, an increasing proportion of customers are from the EMS sector. These are companies that do not have their own brand products but instead serve exclusively as an extended workbench for product suppliers.

With the increasing use of electronics in today's automobiles and the high reliability requirements for vehicle systems, the automotive industry has developed into one of the most significant customer groups for the inspection of electronic assemblies. As a rule, these assemblies, which often represent safety-related components such as ABS, ESP or airbags, are inspected by systems such as those offered by Viscom.

Due to rising technological demands, even in the consumer goods industry, quality pressure is also far higher than in previous years. Here, the emphasis is on process quality, since a stable process improves the delivery quality but especially also results in fewer rejects and therefore higher levels of production efficiency. At the same time, Asian electronics manufacturers, in particular, are increasingly trying to position themselves as premium suppliers, although they were still seen as low-price suppliers just a few years ago.

Close, long-term customer contacts form the basis for comprehensive, individual service. The results of cooperation are incorporated into the development of new system solutions and the refinement of proven systems. This allows Viscom to develop new solutions and thereby open up future markets with a high degree of innovation and customer proximity.

#### **Customer structure**

Viscom generated approximately 63 % of its revenue with its five largest customers (previous year: 61 %). A further 30 % of revenue was generated with 15 customers and the rest with 158 different customers.

#### **Markets**

With its optical, X-ray and combined inspection systems, Viscom is particularly well represented in production operations with the very highest quality requirements.

Accordingly, the main customers are companies who make product safety a top priority. The automotive electronics sector takes up a particularly high volume in this respect. Viscom has been a world-leading provider of inspection systems for quality assurance and process control in this and other industries for years.

Technological developments and subsequent technical and economic progress, combined with its international sales and service presence, helped Viscom to strengthen its market position and achieve greater customer retention in the long term. By continuously developing its products, improving its business processes and adapting its sales organisation to the changing general conditions, Viscom is able to face the challenges of the future and thereby continue to assert and expand its successful market position.

# BRIEF ANALYSIS OF THE NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS AND BUSINESS DEVELOPMENTS

## Results of operations

### Incoming orders/order backlog

In the first three months, orders totalling € 14,792 thousand (previous year: € 15,825 thousand) were received.

As of 31 March 2016, order backlog increased to € 15,484 thousand (previous year: € 12,662 thousand) and corresponded to full capacity utilisation of around three months.

### Development of revenue

Viscom's revenue amounted to € 11,124 thousand in the first quarter of 2016 (previous year: € 17,195 thousand), which is 35.3 % below the previous year's level. The reason for this was the delayed processing of orders due to bottlenecks in individual system components procured externally.

Experience has shown that the first three months of a financial year are the weaker revenue periods at Viscom. In 2015, the first quarter was unusually strong.

### Operating profit / EBIT-Margin

Operating profit (EBIT) amounted to € -1,221 thousand (previous year: € 2,514 thousand). This corresponds to an EBIT-Margin of -11.0 % (previous year: 14.6 %). The main reason for this decline was the lower revenue, the strong build-up of inventories and the increase in expense items in relation to revenue. Personnel costs increased due to staff additions in Sales and Service. This increase is a result of the expanded installation base and the development of the distribution structure for further strategic alignment.

### Net profit for the period

Net profit for the period declined from € 1,782 thousand in the previous year to € -1,326 thousand. The effects already mentioned under operating profit also had an impact on net profit for the period.

The ratio of net profit before taxes was -11.0 % (previous year: 14.7 %).

### Earnings per share

On the basis of 8,885,060 shares, earnings per share as of 31 March 2016 amounted to € -0.15 (diluted and undiluted) compared to € 0.20 in the previous year.

### Financial result

Owing to the lower interest level for short-term financial investments and reduced cash and cash equivalents due to the dividend payment, the financial result fell from € 9 thousand in the first quarter of 2015 to € 0 thousand in 2016. During the course of the first quarter of 2016, the remaining financial assets were either invested in term deposits or held in direct access savings accounts.

### Exchange rate result

As it operates internationally, Viscom is exposed to exchange rate risks. Due to the company's business volume, the current level of exchange rate risk was deemed acceptable; 7.2 % of total revenue was subject to a direct influence from exchange rates (previous year: 14.8 %). Viscom reserves the right to conduct hedging measures in individual cases.

### Employees

In the first quarter of 2016, the number of Group employees increased by 31 persons year on year. As a result, Viscom employed 369 employees (excluding trainees) globally as of 31 March 2016 (previous year: 338 employees).

As of 31 March 2016	Europe	Americas	Asia	Total
<b>Total</b>	<b>299</b>	<b>18</b>	<b>52</b>	<b>369</b>
of which full time	276	17	52	345
of which part time	23	1	0	24
plus: trainees	11	0	0	11

## Regional developments

### Europe

Comprising 70.3 % of revenue, Europe was by far Viscom's strongest region and generated revenue of € 7,817 thousand in the first quarter of 2016 (previous year: € 9,674 thousand). Revenue was down 19.2 % year on year. The delayed processing of orders already mentioned primarily affected the Europe segment. Revenue in Germany amounted to € 3,840 thousand (previous year: € 4,650 thousand).

Segment results in Europe amounted to € -851 thousand (previous year: € 1,507 thousand), which corresponds to a margin of -10.9 % (previous year: 15.6 %). Lower revenue and higher personnel costs were the main reason for this decline. At a highly positive € 9,543 thousand, incoming orders were on par with the previous year (previous year: € 9,452 thousand).

### Americas

As expected, revenue was lower in the first quarter in the Americas region following the reduction in order backlog at the end of 2015. The generally weaker incoming orders in the first quarter were in addition negatively affected by the reluctance of Viscom customers to invest, especially in South America.

At € 1,541 thousand, revenue was down by approximately 63 % year on year (previous year: € 4,184 thousand). The segment result in this region of € -121 thousand was subsequently below the previous year (previous year: € 600 thousand).

The margin amounted to -7.9 % (previous year: 14.3 %). At € 1,701 thousand, incoming orders were down on the previous year (previous year: € 3,192 thousand).

Numerous enquiries from customers, thanks to last year's strategically enhanced sales activities, a successful trade fair in March and the presentation of 3D AOI products which are suitable for the North American market combined with a key account business, indicate an improvement in the order situation for the rest of the year.

### Asia

The Asia region was only able to generate relatively weak revenue in the first quarter of 2016 due to the strong reduction in order backlog towards the end of 2015, which also affected the region's operating result. Orders from the automotive supplier sector and the upgrade and service business were lower than expected. On the other hand, incoming orders from the Computer, Communication and Consumer sector were positive and are primarily attributable to new customers in Asia, especially China. Despite the tough competition, business is expected to improve in the second quarter of 2016.

At € 1,766 thousand, Group revenue in Asia was below the previous year's figure (previous year: € 3,337 thousand), which corresponds to a 47.1 % decrease. Segment results in the Asia region amounted to € -271 thousand (previous year: € 787 thousand) and the margin was -15.3 % (previous year: 23.6 %). Incoming orders amounting to € 3,548 thousand were up around 12 % year on year (previous year: € 3,181 thousand).

## Disclosures on the Group's geographic segments by sales markets

in K€	Europe		Americas		Asia		Consolidated		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
External sales	7,817	9,674	1,541	4,184	1,766	3,337	0	0	11,124	17,195
Segment result	-851	1,507	-121	600	-271	787	22	-380	-1,221	2,514

## Financial position

### Capital structure

There were no liabilities to banks as of 31 March 2016.

### Investments

Investments in intangible assets and property, plant, and equipment totalled € 541 thousand in the first quarter of 2016 (previous year: € 605 thousand). At € 387 thousand (previous year: € 433 thousand), the bulk of the investments applies to the capitalisation of company-produced assets, while € 153 thousand (previous year: € 172 thousand) was allocated to operating and office equipment, leasehold improvements, software, technical equipment and machinery.

### Liquidity

Viscom was able to continue providing the required liquidity entirely from its own funds in the first quarter of 2016. The subsidiaries did not require any additional loans either. Current liquidity declined compared to 31 December 2015.

### Cash and cash equivalents/cash flow

**Cash flow from operating activities** was negative at € -423 thousand (previous year: € 2,473 thousand). The negative net profit for the period and the decline in liabilities due to tax and interest payments related to the securities lending transactions in 2006 were primarily responsible for this. The payment – of the sum for which provisions were already made at the end of 2015 – meant that accrued interest on the liabilities to the tax authorities were suspended until the matter is clarified legally.

**Cash flow from investing activities** amounted to € -530 thousand (previous year: € -601 thousand). This change was primarily a result of the capitalisation of development costs.

**Cash flow from financing activities** amounted to € 0 thousand (previous year: € 0 thousand).

Cash and cash equivalents amounted to € 10,862 thousand (previous year: € 19,118 thousand) and declined by around € 1 million compared to the end of 2015.

## Net assets

### Fixed assets

In the category of fixed assets, intangible assets included mainly company-produced assets. Intangible assets slightly increased in the first quarter of 2016 compared to 31 December 2015, from € 7,628 thousand to € 7,720 thousand.

### Receivables

At € 10,868 thousand, trade receivables were well below the level recorded as of 31 December 2015 (€ 18,126 thousand). Value adjustments on trade receivables totalled € 812 thousand, which was at a similar level as of 31 December 2015 (€ 812 thousand).

### Inventories

The book value of inventories stood at € 24,022 thousand, which is an increase in comparison to the end of the 2015 financial year (€ 22,352 thousand). Pre-production of partially completed and completed systems to process the high order backlog and the expected incoming orders were responsible for this.

### Liabilities

Trade payables increased slightly from € 1,558 thousand to € 1,618 thousand compared to the end of 2015.

### Shareholders' equity

Total shareholders' equity, plus reserves, declined from € 48,657 thousand at the end of 2015 to € 47,128 thousand. This change was primarily due to the negative net profit for the period. At 81.5 %, the equity ratio was higher than the figure as of 31 December 2015 (77.1 %). The amount of the corresponding previous-year period was at 83.9 %.



**Key figures on the Group's net assets, financial position and results of operations**

	31.03.2016 K€	31.12.2015 K€
<b>Tier 1 liquidity</b> (cash and cash equivalents less current liabilities and provisions)	1,861	-671
<b>Tier 2 liquidity</b> (tier 1 liquidity plus receivables and other assets less non-current liabilities)	14,316	17,789
<b>Tier 3 liquidity</b> (tier 2 liquidity plus inventories)	38,338	40,141
<b>Current assets:</b>		
Cash and cash equivalents	10,862	11,868
Receivables and other assets	12,919	18,983
Inventories	24,022	22,352
	<b>47,803</b>	<b>53,203</b>
<b>Liabilities and provisions:</b>		
Current liabilities and provisions	9,001	12,539
Non-current provisions	464	523
	<b>9,465</b>	<b>13,062</b>
<b>Net debt</b>		
Liabilities and provisions (-)	-9,465	-13,062
+ Cash and cash equivalents	10,862	11,868
+ Receivables and other assets	12,919	18,983
= Net debt	14,316	17,789
<b>Working capital</b>		
Current assets - liabilities and provisions	38,338	40,141
<b>Equity ratio</b>		
Shareholders' equity/total assets	81.5 %	77.1 %
	<b>31.03.2016 K€</b>	<b>31.03.2015 K€</b>
<b>Cash flow</b>		
Net profit for the period after taxes	-1,326	1,782
+ Depreciation and amortisation expense	420	349
	<b>-906</b>	<b>2,131</b>
<b>Return on equity</b>		
Net profit for the period/shareholders' equity	-2.8 %	3.2 %
<b>Return on Investment (ROI)</b>		
Net profit for the period/total assets	-2.3 %	2.7 %
<b>Return on revenue</b>		
EBT/revenue	-11.0 %	14.7 %
<b>Return on Capital Employed (ROCE)</b>		
EBIT / (total assets – cash and cash equivalents – current liabilities and provisions)	-3.2 %	6.5 %

## REPORT ON POST-BALANCE SHEET DATE EVENTS

There were no other significant events after the first three months of 2016.

## OPPORTUNITIES AND RISKS REPORT

The statements on opportunities and risks remain applicable. Please refer to pages 47 – 51 of Viscom AG's Annual Report 2015.

## FORECAST REPORT 2016

### Economic conditions

The statements relating to economic conditions made in the forecast report for 2016 contained in the company's annual report 2015 remain valid in essence. Based on current estimates, there have been no fundamental changes or adjustments to the framework conditions with regard to forecasts. Please refer to page 52 of the Annual Report.

### Results of operations

The development of incoming orders and revenue will largely depend on the overall economic situation in the 2016 financial year, especially in the automotive industry. Based on the asserted assumptions, the forecast for performance indicators remains unchanged compared to the end of the 2015 financial year. At a target revenue and order intake of € 70 million to € 75 million, Viscom continues to expect to generate significantly positive earnings once again in 2016.

The EBIT-Margin is likely to be between 13 % and 15 % in the 2016 financial year, which corresponds to EBIT of € 9.1 million to € 11.3 million.

### Financial position

There are no plans for borrowing in the remaining months of 2016 thanks to the ongoing good, albeit reduced liquidity position. Most of the funds, invested in direct access savings accounts and term deposits, are available at short notice.

The other assumptions and forecasts relating to the economic conditions described in Viscom AG's Annual Report 2015 and in pages 52 - 54 of this report remain valid.

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## OTHER DISCLOSURES

### Significant transactions with related parties

There are rental agreements for eight properties in Carl-Buderus-Strasse and one property in Fränkische Strasse in Hanover between the Company and Dr. Martin Heuser / Petra Pape GbR, Hanover, Marina Hettwer / Petra Pape GbR, Hanover and HPC Vermögensverwaltung GmbH, Hanover. All these contracting parties are classed as related parties within the meaning of IAS 24.

Viscom AG has also concluded lease contracts for company vehicles with HPC Vermögensverwaltung GmbH. HPC Vermögensverwaltung GmbH provides further services such as company childcare, cleaning services and other miscellaneous services.

### General information on the company

Viscom AG is domiciled in Hanover, Germany and is entered in the local commercial register under HR B 59616. The company's business address is Viscom AG, Carl-Buderus-Strasse 9-15, 30455 Hanover, Germany.

The company's business activities consist of the development, manufacture and sale of automated inspection systems for industrial production. Inspection is performed by the computer-based optical and/or X-ray comparison of the inspected objects with the specifications defined in the inspection system.

# IFRS CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## CONSOLIDATED INCOME STATEMENT

### Consolidated income statement

01.01.-31.03.2016

01.01.-31.03.2015

K€

K€

	01.01.-31.03.2016 K€	01.01.-31.03.2015 K€
Revenue	11,124	17,195
Other operating income	510	875
	<b>11,634</b>	<b>18,070</b>
Changes in finished goods and work in progress	2,254	561
Other capitalised company-produced assets	387	433
Cost of materials	-5,950	-7,046
Staff costs	-6,023	-5,666
Depreciation / amortisation	-420	-349
Other operating expenses	-3,103	-3,489
	<b>-12,855</b>	<b>-15,556</b>
<b>Operating profit</b>	<b>-1,221</b>	<b>2,514</b>
Financial income	0	10
Financial expenses	0	-1
<b>Financial result</b>	<b>0</b>	<b>9</b>
Income taxes	-105	-741
<b>Net profit for the period</b>	<b>-1,326</b>	<b>1,782</b>
<b>Earnings per share (diluted and undiluted) in €</b>	<b>-0.15</b>	<b>0.20</b>
<b>Other earnings</b>		
Currency translation differences	-203	674
<b>Items that can be reclassified to the income statement</b>	<b>-203</b>	<b>674</b>
<b>Other earnings after taxes</b>	<b>-203</b>	<b>674</b>
<b>Total earnings</b>	<b>-1,529</b>	<b>2,456</b>

# CONSOLIDATED BALANCE SHEET

## ASSETS

Assets	31.03.2016 K€	31.12.2015 K€
<b>Current assets</b>		
Total cash and cash equivalents	10,862	11,868
Trade receivables	10,868	18,126
Current income tax assets	565	40
Inventories	24,022	22,352
Other financial receivables	95	142
Other assets	1,391	675
<b>Total current assets</b>	<b>47,803</b>	<b>53,203</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,559	1,541
Intangible assets	7,720	7,628
Financial assets	7	7
Loans originated by the company	21	15
Deferred tax assets	751	736
<b>Total non-current assets</b>	<b>10,058</b>	<b>9,927</b>
<b>Total assets</b>	<b>57,861</b>	<b>63,130</b>

# CONSOLIDATED BALANCE SHEET SHAREHOLDERS' EQUITY AND LIABILITIES

Liabilities	31.03.2016 K€	31.12.2015 K€
<b>Current liabilities</b>		
Trade payables	1,618	1,558
Advance payments received	291	65
Provisions	1,371	1,531
Current income tax liabilities	808	3,249
Other financial liabilities	2,336	3,365
Other current liabilities	2,577	2,771
<b>Total current liabilities</b>	<b>9,001</b>	<b>12,539</b>
<b>Non-current liabilities</b>		
Non-current provisions	464	523
Deferred tax liabilities	1,268	1,411
<b>Total non-current liabilities</b>	<b>1,732</b>	<b>1,934</b>
<b>Shareholders' equity</b>		
Subscribed capital	9,020	9,020
Capital reserve	21,321	21,321
Retained earnings	16,029	17,355
Exchange rate differences	758	961
<b>Total shareholders' equity</b>	<b>47,128</b>	<b>48,657</b>
<b>Total shareholders' equity and liabilities</b>	<b>57,861</b>	<b>63,130</b>

# CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement	01.01.-31.03.2016	01.01.-31.03.2015
	K€	K€
<b>Cash flow from operating activities</b>		
Net profit for the period after interest and taxes	-1,326	1,782
Adjustment of net profit for income tax expense (+)	105	741
Adjustment of net profit for interest expense (+)	0	1
Adjustment of net profit for interest income (-)	0	-10
Adjustment of net profit for depreciation and amortisation expense (+)	420	349
Increase (+) / decrease (-) in provisions	-213	-42
Gains (-) / losses (+) on the disposal of non-current assets	0	0
Increase (-) / decrease (+) in inventories, receivables and other assets	4,867	-141
Increase (+) / decrease (-) in liabilities	-3,688	307
Income taxes repaid (+) / paid (-)	-588	-514
<b>Net cash used in/from operating activities</b>	<b>-423</b>	<b>2,473</b>
<b>Cash flow from investing activities</b>		
Proceeds (+) from the disposal of non-current assets	11	0
Acquisition (-) of property, plant and equipment and non-current intangible assets	-154	-172
Capitalisation of development costs (-)	-387	-433
Interest received (+)	0	4
<b>Net cash used in/from investing activities</b>	<b>-530</b>	<b>-601</b>
<b>Cash flow from financing activities</b>		
Dividend payment (-)	0	0
<b>Net cash and cash equivalents from financing activities</b>	<b>0</b>	<b>0</b>
Changes in cash and cash equivalents due to changes in interest rates	-53	313
<b>Cash and cash equivalents</b>		
Changes in cash and cash equivalents	-953	1,872
Cash and cash equivalents as of 1 January	11,868	16,933
<b>Total cash and cash equivalents</b>	<b>10,862</b>	<b>19,118</b>

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Shareholders' equity	Subscribed capital K€	Capital reserve K€	Exchange rate differences K€	Retained earnings K€	Total K€
<b>Shareholders' equity as of 1 Jan. 2015</b>	<b>9,020</b>	<b>21,321</b>	<b>532</b>	<b>22,711</b>	<b>53,584</b>
Net profit for the period	0	0	0	3,529	3,529
Other earnings	0	0	429	0	429
<b>Total earnings</b>	<b>0</b>	<b>0</b>	<b>429</b>	<b>3,529</b>	<b>3,958</b>
Dividends	0	0	0	-8,885	-8,885
<b>Shareholders' equity as of 31 Dec. 2015</b>	<b>9,020</b>	<b>21,321</b>	<b>961</b>	<b>17,355</b>	<b>48,657</b>
<b>Shareholders' equity as of 1 Jan. 2016</b>	<b>9,020</b>	<b>21,321</b>	<b>961</b>	<b>17,355</b>	<b>48,657</b>
Net profit for the period	0	0	0	-1,326	-1,326
Other earnings	0	0	-203	0	-203
<b>Total earnings</b>	<b>0</b>	<b>0</b>	<b>-203</b>	<b>-1,326</b>	<b>-1,529</b>
Dividends	0	0	0	0	0
<b>Shareholders' equity as of 31 Mar. 2016</b>	<b>9,020</b>	<b>21,321</b>	<b>758</b>	<b>16,029</b>	<b>47,128</b>



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# SPECIAL DISCLOSURES

## Declaration of compliance

This interim consolidated financial statement of the 2016 financial year was prepared on the basis of uniform application and compliance with all of the applicable International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), especially IAS 34 (Interim Financial Reporting), as of the reporting date of 31 March 2016.

## Basic principles of preparation

The IFRS interim consolidated financial statements are prepared in euros. Figures are generally presented in thousands of euros (K€). The segment report is included in the consolidated interim management report.

Essentially, the same accounting and valuation methods as in the 2015 consolidated financial statements were applied.

The income statement was prepared in accordance with the total expenditure format.

Pursuant to IAS 1, assets and liabilities carried on the balance sheet are classified as either current or non-current. Current assets or liabilities are those designated for disposal / redemption within a one-year time horizon.

The preparation of the interim consolidated financial statements requires certain assumptions and estimates to be made which affect the amounts and classification of the assets, liabilities, income, expenses and contingent liabilities recognised. Actual amounts may differ from these estimates.

## Disclosures regarding financial instruments and financial risk management

### Presentation of the categories of financial instruments and the corresponding net profit in accordance with IFRS 7

The presentation below provides information on the carrying amounts from individual measurement categories. The fair values for each class of financial instrument are also displayed. This presentation allows for a comparison of carrying amount and fair values.

#### Assets

	Measurement category	Total		Nominal value		Amortised cost	
		Carrying amount	Fair Value	Liquid assets / cash reserve		Loans and receivables (LaR) as well as financial instruments held to maturity (HTM)	
31.03.2016 in K€		Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Bonds	HTM	0	0	0	0	0	0
Financial assets and other receivables	LaR	494	494	0	0	494	494
Trade receivables	LaR	10,868	10,868	0	0	10,868	10,868
Liquid assets	LaR	10,862	10,862	10,862	10,862	0	0
<b>Total</b>		<b>22,224</b>	<b>22,224</b>	<b>10,862</b>	<b>10,862</b>	<b>11,362</b>	<b>11,362</b>

#### Liabilities

	Measurement category	Total		Amortised cost	
		Carrying amount	Fair Value	Financial liabilities (FL)	
31.03.2016 in K€		Carrying amount	Fair Value	Carrying amount	Fair Value
Trade payables	FL	1,618	1,618	1,618	1,618
Other financial liabilities	FL	2,235	2,235	2,235	2,235
<b>Total</b>		<b>3,853</b>	<b>3,853</b>	<b>3,853</b>	<b>3,853</b>

**Assets**

	Measurement category	Total		Nominal value		Amortised cost	
		Carrying amount	Fair Value	Liquid assets / cash reserve		Loans and receivables (LaR) as well as financial instruments held to maturity (HTM)	
				Carrying amount	Fair Value	Carrying amount	Fair Value
<b>31.12.2015 in K€</b>							
Bonds	HTM	0	0	0	0	0	0
Financial assets and other receivables	LaR	283	283	0	0	283	283
Trade receivables	LaR	18,126	18,126	0	0	18,126	18,126
Liquid assets	LaR	11,868	11,868	11,868	11,868	0	0
<b>Total</b>		<b>30,277</b>	<b>30,277</b>	<b>11,868</b>	<b>11,868</b>	<b>18,409</b>	<b>18,409</b>

**Liabilities**

	Measurement category	Total		Amortised cost	
		Carrying amount	Fair Value	Financial liabilities (FL)	
				Carrying amount	Fair Value
<b>31.12.2015 in K€</b>					
Trade payables	FL	1,558	1,558	1,558	1,558
Other financial liabilities	FL	3,263	3,263	3,263	3,263
<b>Total</b>		<b>4,821</b>	<b>4,821</b>	<b>4,821</b>	<b>4,821</b>

With regard to fair value valuation, the bonds included in the portfolio in the 2015 financial year continue to be classified as level 1 in the valuation hierarchy. Please also refer to pages 104 - 107 of Viscom AG's Annual Report 2015.

**Events after the balance sheet date**

There were no other significant events after the first quarter of 2016.

**Audit of the accounts**

As in the case of previous quarterly Group accounts, the interim consolidated financial statements as of 31 March 2016 were neither examined by an auditor in accordance with section 320 of the German Commercial Code (HGB), nor subjected to an audit review within the meaning of the Securities Trade Act (WpHG).

## RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting and proper accounting standards, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim consolidated management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the

expected development of the Group for the remaining months of the financial year.”

Hanover, 12 May 2016



Dr. Martin Heuser



Volker Pape



Dirk Schwingel

## FINANCIAL CALENDAR 2016

12 May 2016	<b>Interim Report 3M/2016, Analyst Telephone Conference</b>	Hanover
1 June 2016	<b>Annual General Meeting</b>	Hanover
12 August 2016	<b>Interim Report as of 30 June 2016, Analyst Telephone Conference</b>	Hanover
14 November 2016	<b>Interim Report 9M/2016, Analyst Telephone Conference</b>	Hanover
22 November 2016	<b>German Equity Forum 2016</b>	Frankfurt/Main

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# VISCOM STRUCTURE

Supervisory Board	Bernd Hackmann (Chairman) Klaus Friedland (Deputy Chairman) Prof. Dr. Ludger Overmeyer
Executive Board	Dr. Martin Heuser Volker Pape Dirk Schwingel
Headquarters	Carl-Buderus-Straße 9 – 15, 30455 Hanover Commercial Register of Hanover District Court HR B 59616
Subsidiaries	Viscom France S.A.R.L., Cergy Pontoise Cedex, France Viscom Inc., Atlanta, Georgia, USA Viscom Machine Vision Pte Ltd., Singapore
Subsidiary of Viscom Machine Vision Pte Ltd., Singapore	Viscom Machine Vision (Shanghai) Trading Co., Ltd.
Subsidiary of Viscom France S.A.R.L., France	Viscom Tunisie S.A.R.L., Tunis, Tunisia

# IMPRINT

Publisher	Viscom AG, Carl-Buderus-Straße 9 - 15, 30455 Hanover, Germany Tel.: +49 511 94996-0, Fax: +49 511 94996-900 info@viscom.de, www.viscom.com  Entered in the Commercial Register of Hanover District Court under HR B 59616
Responsible	Viscom AG, represented by the Executive Board
Editorial staff	Dr. Martin Heuser (Member of the Executive Board) Volker Pape (Member of the Executive Board) Dirk Schwingel (Member of the Executive Board) Anna Borkowski (Investor Relations) Jasmin Vennekohl (Investor Relations)
Layout and design	CL*GD – corinna.lorenz.grafik.design, www.clgd.de
Printing	guttenberg beuys Feindruckerei, www.feindruckerei.de
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