VISCOM
vision technology

Annual Report 2008

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Key Group Figures

	31.12.2008	31.12.2007
Revenue	49,915 K€	51,986 K€
EBIT	-1,586 K€	4,482 K€
Financial result	314 K€	1,006 K€
Income taxes	-435 K€	-1,929 K€
Net profit for the period	**-1,707 K€**	**3,559 K€**
Number of shares	9,020,000	9,020,000
Number of weighted shares	8.895.078	9.020.000
Diluted and undiluted earnings per share	**-0,19 €**	**0.39 €**
Number of employees	**412**	**376**

Worldwide Locations

Viscom is represented by subsidiaries, application centres and service centres around the world. A close network of representatives is also available to serve our clients.

Viscom Profile

Our core competence

Our core competence is industrial image processing for optical and X-ray technology inspection systems. As a producer of high-quality inspection systems for automatic optical inspection (AOI) and X-ray inspection (AXI), Viscom is one of the leading providers worldwide. In Europe, Viscom is the market leader in automatic optical inspection of printed circuit boards.

Our philosophy

With continuous innovation, we develop new applications for existing technologies and open up new market potential. In this process, customer satisfaction is our most important goal. Innovative inspection systems as well as the motivation and creativity of our employees are the bedrock of our success. As an attractive employer with a modern company culture, Viscom can count on strong company identification among its employees.

Our market

Viscom inspection systems are used in nearly all sectors of the electronics industry – from automotive electronics through aviation and aerospace technology, to industrial electronics and consumer electronics. The new applications and steadily rising quality standards in these segments offer significant, sustainable growth potential for us.

Our goals

Growing through innovation: Based on a solid foundation, Viscom has grown steadily since it was founded. Our clear goal is to follow an optimised strategy during the current crisis – in order to secure market share, and also to return the Company to its successful course as soon as conditions return to normal.

Foreword

Dear Shareholders,
Ladies and Gentlemen,

The 2008 financial year was an eventful one for Viscom AG. On the one hand, it was defined by innovations and product developments which were extremely successful on the market. On the other hand, it was dominated by the difficult financial situation in the global marketplace. This had consequences for Viscom: Our customers were hesitant in making new investments. As a result, revenue dropped significantly at the beginning of the third and especially in the fourth quarter of 2008. This was mainly caused by production cutbacks in the automotive and automotive supplier industries – one of the most important customer segments for Viscom. A reduction in revenue was ultimately unavoidable. Challenges need to be faced with determination and clear decisions have to be made. This sometimes involves making cuts. Since the short to medium-term forecasts do not indicate a significant market recovery, Viscom AG has implemented comprehensive cost cutting measures. When lowering fixed operating expenses and the costs of our subsidiaries were insufficient in compensating for potential losses, we were forced to reduce the number of employees. This mainly affected temporary positions as well as employment contracts with a limited term, which were not renewed and also terminated early in some cases. Unfortunately, dismissals due to business conditions in addition to the amicable dissolution of employment relationships were unavoidable.

“Our customers value our technology leadership – a decisive competitive advantage“

Of course we also have good news to report. The Company will not make any major cuts in development. Instead, it will focus its resources on future-oriented technologies: Photovoltaic inspection, computed tomography, 3D inspection. Our customers value our technology leadership – a decisive competitive advantage which we

intend to develop. This is a sound strategy when navigating in stormy waters.

New inspection systems from Viscom won not one but two world-renowned industry awards. First the X7056RS

earned the SMT VISION Award 2008 in the USA as the best new product in the Inspection category. Series production of this inspection system, which combines optical and X-ray inspection in a single machine – a unique selling point on the market – commenced in the second quarter of 2008. We were also highly successful in Asia around the same time: In China, the S3088-II system received the SMT VISION Award 2008 in the Inspection & Testing-AOI category. Such innovative products, which not only received international awards but, above all, are in high demand among our customers, will help us weather the global economic crisis.

The photovoltaics product range offers opportunities for expanding our customer base by developing inspection systems specifically tailored to the needs of the photovoltaics industry. This is a sunrise industry with significant growth potential around the world – sustainable, solid growth in which Viscom intends to participate. In the interest of our customers, we also significantly expanded service and established it as an independent business area.

Faced with tough economic times and market developments that are extremely difficult to predict, the Executive Board and Supervisory Board are proposing that no dividend be paid out.

The management of Viscom AG will continue making the right decisions with a clear vision and good judgement in the new financial year in order to keep the Company on a successful course. Our direction has been established. We are counting on the support of you, our shareholders.

Thank you very much for the trust placed in us during the past financial year.

The Executive Board

Dr. Martin Heuser Volker Pape Ulrich Mohr

Report of the Supervisory Board

Monitoring management

The first half of the 2008 financial year was defined by efforts to put the Company on a growth track. In the second half of the year, activities focused on dealing with the effects of the economic crisis. The Supervisory Board actively accompanied the above activities with advice to and discussions with the Executive Board. The Supervisory Board constantly monitored management on the basis of Executive Board reports and joint meetings. The Supervisory Board examined transactions requiring its approval and discussed each of them with the Executive Board.

Hans E. Damisch, Dr. Jürgen Knorr, Prof. Dr. Claus-E. Liedtke

Structure of the Supervisory Board

In the 2008 financial year, the three members of the Supervisory Board were Dr. Jürgen Knorr (Chairman of the Supervisory Board), Hans E. Damisch (Deputy Chairman of the Supervisory Board) and Prof. Dr. Claus-E. Liedtke.

Meetings of the Supervisory Board

During the 2008 financial year, the Supervisory Board informed itself in a timely and comprehensive manner about the current revenue, earnings and liquidity position, budget planning, the Company and Group situation including risk management as well as compliance within the Group, strategic goals and all organisational and personnel changes in a total of five ordinary meetings on 14 March, 9 April, 11 June, 19 September and 12 December 2008. All meetings were held in person. Dr. Jürgen Knorr and Prof. Dr. Claus-E. Liedtke attended all Supervisory Board meetings in the 2008 financial year. Hans E. Damisch was absent from the Supervisory Board meeting on 19 September 2008 due to illness. Two special meetings were also held to discuss specific issues (the future strategic direction of Viscom AG and resulting consequences). Resolutions for urgent matters were also passed outside of meetings in telephone conferences and in writing. The Supervisory Board was involved in all decisions of fundamental importance to the Company in a timely manner. In addition, the Supervisory Board was presented with transactions requiring its approval. These were approved following detailed examination and discussions with the Executive Board. The Executive Board provided the Supervisory Board with all key figures required to assess business developments, including comparisons to budget and the previous year, as part of monthly reporting. Reporting by the Executive Board took place on request of and/or in response to specific inquiries by the Supervisory Board, and periodically according to the standing rules for the Executive Board established by the Supervisory Board. Moreover, the Chairman of the Supervisory Board was in regular contact with the Executive Board which informed him of current business events.

In particular, the Supervisory Board was also informed by the Executive Board regarding the worsening situation in the automotive and automotive supplier industries as well as the related effects on the business operations of Viscom AG. The Supervisory Board discussed the organisation including risk management and the Company's economic, financial and strategic situation as well as essential questions of corporate policy and strategy with the Executive Board. Key topics in the Supervisory Board meetings during the 2008 financial year were the analysis of reasons for the decline in revenue and the countermeasures implemented by the Executive Board, marketing activities in Asia and Europe as well as research and development projects.

During the 2008 financial year, the Supervisory Board also discussed revising and optimising the internal structures of Viscom AG and investments in technology, personnel and sales as well as the global strategy of the Company. The consulting firm Simon-Kucher & Partners was commissioned to examine the structure and objectives of the sales organisation and to develop recommendations.

The Supervisory Board supported the Executive Board in the preparation and implementation of the Annual General Meeting and, at its meeting on 14 March 2008, discussed the annual financial statements, the consolidated financial statements and the management reports to 31 December 2007 in the presence of the auditors.

Committees

The Supervisory Board has not formed any committees.

Corporate Governance

Information on the aspects of the Company's Corporate Governance related to the Supervisory Board can be found in the joint report on Corporate Governance in this Annual Report prepared by the Executive Board and Supervisory Board. Remuneration to the Supervisory Board is reported on an individual basis in the Corporate Governance report printed in this Annual Report. There were no conflicts of interest with regard to the members of the Supervisory Board. During the 2008 financial year, the Supervisory Board carried out an efficiency examination of the Supervisory Board activities in regards to the requirements of the German Corporate Governance Codex. Moreover, the Executive Board and Supervisory Board submitted the annual Statement of Compliance with the German Corporate Governance Codex on 27 February 2009.

Accounting

Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hanover was elected by the Annual General Meeting of the Company on 12 June 2008 and appointed as auditor by the Supervisory Board. The Supervisory Board then negotiated and awarded the audit assignment. The auditor audited the annual financial statements of Viscom AG prepared by the Executive Board according to the German Commercial Code (HGB) and the consolidated financial statements prepared according to International Financial Reporting Standards (IFRS) as of 31 December 2008 as well as the summarised management and Group management report taking into consideration accounting and has issued an unqualified audit opinion. The audit focused on the allocation of revenue to the appropriate accounting period, the valuation of inventory and the verification of the value of intangible assets. In addition, the auditor inspected Viscom AG's existing early risk detection system in accordance with section 317 (4) of the German Commercial Code (HGB) and, as a result of this examination, came to the conclusion that the statutory obligations of management in monitoring and transparency were complied with. The report on the relationships of Viscom AG to affiliated companies prepared by the Executive Board of Viscom AG in accordance with section 312 of the German Stock Corporation Act (AktG) was also examined by the auditor Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft. The auditor issued the following audit opinion:

"Following our mandatory audit and examination, we confirm that

1. the factual information contained in the report is accurate,

2. performance by the Company was not unreasonable for the transactions listed in the report,

3. no circumstances speak for a materially different assessment from that of the Executive Board for the measures listed in the report."

On 13 March 2009, the Supervisory Board meeting dealing with accounts took place. The annual financial statements, consolidated financial statements and audit reports as well as the Executive Board's proposal for the appropriation of net profits and all other documents and meeting reports were provided to the members of the Supervisory Board in a timely manner prior to this meeting. This documentation was discussed in detail during the Supervisory Board meeting dealing with accounts. The auditor was present at the meeting, reported on the audit and audit results and was available to answer questions, provide additional information and discuss the documents.

Following a detailed discussion of the audit and audit results with the auditor, a thorough examination of the audit reports provided by the auditor as well as the proposal for the appropriation of net profits by the Executive Board and based on its own examination and discussion of the annual financial statements, consolidated financial statements, summarised management report and Group management report as well as the proposal for the appropriation of net profits by the Executive Board, the Super-visory Board was in agreement with the results of the audit as presented by the auditor. The Supervisory Board determined that no objections were to be raised following the final results of its examination.

In the Supervisory Board meeting dealing with accounts on 13 March 2009, the Supervisory Board approved the annual financial statements and consolidated financial statements as well as the summarised management report and Group management report for the 2008 financial year. The annual financial statements are therefore adopted (section 172 sentence 1 of the German Stock Corporation Act (AktG)).

The Supervisory Board also examined the report of the Executive Board on the relationships of Viscom AG to affiliated companies and, based on its own examination and discussion of the report, agreed with the audit results of the auditor. In its meeting on 13 March 2009, it determined that as the final result of its examination, there are no objections against the declarations of the Executive Board at the end of the report on relationships with affiliated companies.

The Executive Board proposes that no dividends be paid for the business year 2008. The Supervisory Board has comprehensively examined and discussed the proposal of the Executive Board under consideration of the interests of the company as well as of the shareholders and gives it their consent.

The Supervisory Board thanks the members of the Executive Board as well as all employees of the Company for their great commitment and hard work on behalf of the Company.

Hanover, 13 March 2009

The Supervisory Board

Dr. Jürgen Knorr
Chairman

Viscom Shares

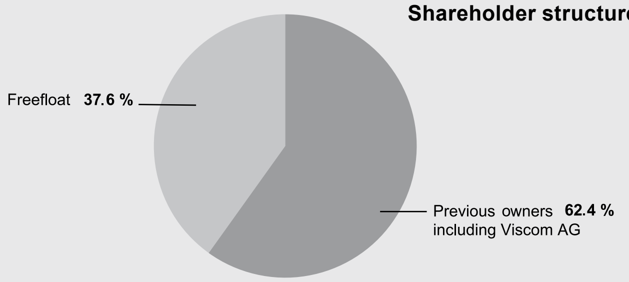
ISIN	**DE 000 7846867**
Market segment	Official Market of the Frankfurt Stock Exchange Prime Standard
Number of shares	**9.02 million**
Free float	37,61 %
Market capitalisation	**€ 25.62 million**
High	€ 9,05
Low	**€ 1,88**
Average trading volume (XETRA/day)	7,147 shares
Result per share	**€ -0.19**

As of 31.12.2008

2008 will go down in history as one of the darkest years for the stock market. The first six months of 2008 were already defined by negative developments in international capital markets. Following initial indications of the looming international financial crisis and a boom in some raw material markets, negative developments affected almost all industries at the beginning of the year. Financial and consumer securities suffered from pronounced selling pressure.

This situation deteriorated rapidly during the second half of 2008. Bad news relating to the financial crisis, which ballooned into an international economic crisis towards the end of the year, caused panic in some cases leading to additional major slumps in German indexes. Insecurity among capital market participants led to continuing high stock market volatility. The DAX reached its low for the year on 21 November at 4,127 points.

Shareholder structure

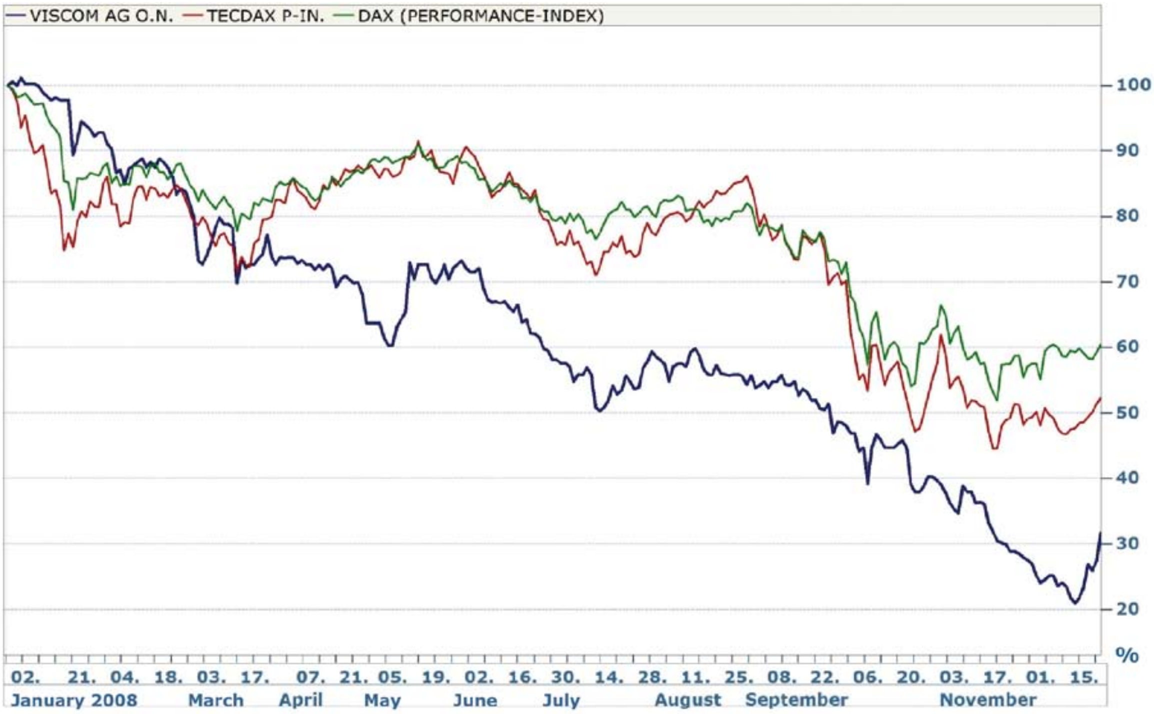


Government stabilisation measures, even outside the financial sector, as well as further decreases in the prime rate by various central banks had a slightly positive effect on investment-related securities in December. Stock market prices started to go back up.

The Viscom share was also unable to escape the negative trend over the course of the year. It reached its high point of € 9.05 on 7 January. After that, shareholders were forced to accept a severe drop in the share price. The financial crisis led to a switch from second-tier stocks to large-caps. On 17 December, the share closed at a historic low of € 1.88. The share recovered slightly to € 2.84 by 30 December.

To illustrate the confidence of the Executive Board in the operational profitability of the Company on the stock market, HPC Vermögensverwaltung GmbH – whose shareholders are members of the Viscom Executive Board Dr. Martin Heuser and Volker Pape – purchased 50,000 shares on 15 May at an average share price of € 6.94, 20,000 shares on 16 December at an average share price of € 1.95 and 20,000 shares on 18 December at an average share price of € 1.90.

Trend of the Viscom Shares



Viscom AG launched a share buyback programme on 29 July 2008. With the intent of acquiring cash for possible takeovers, the Executive Board with the approval of the Annual General Meeting on 12 June 2008 and the consent of the Supervisory Board decided the Company would acquire up to 902,000 Viscom shares by 31 March 2009. By the reporting date of 31 December 2008, the Company had bought back 124,922 shares. Additional information about the share buyback programme is available on our website www.viscom.com/en_ir.

Given unsatisfactory annual profit and the currently difficult global economy, the Executive Board and Supervisory Board believe it is important to protect the liquidity of Viscom AG. This is why the proposal to the Annual General Meeting is to pay no dividends for the 2008 financial year.

The goal of our investor relations efforts is to allow all capital market participants a fair valuation of the Viscom Group. Open and honest communication is therefore our top priority. This approach becomes even more important for Viscom AG during critical times. All information relating to the Viscom share is published in a timely manner on the Company website at www.viscom.com/en_ir.

Positive prospects? An interview with the Executive Board

The global economy is in the midst of a crisis which has had a particularly severe impact on the automotive and automotive supplier industries. A positive outlook? No, at least not in the short term. Production cutbacks are leading to significant reluctance among customers to invest and sales are falling. How does a company in the electronics industry, such as Viscom, deal with this type of situation? Did the company strategy of past years turn out to be correct? Does Viscom have a sufficiently stable foundation in order to survive in the future? These questions are addressed by the Viscom Executive Board - with clear, optimistic answers.

The year started out well. Viscom was able to significantly increase revenue and earnings. Then the financial crisis hit following the second quarter and ballooned into a global economic crisis. Why is Viscom in particular affected so severely?

Most of our customers are in the automotive manufacturer and supplier industries. Investments in this area – including expenditures for innovative inspection technologies – have been cut back severely. As a result, Viscom was forced to significantly reduce its budget figures for the past financial year.

Are you overly dependent on the automotive industry? Isn't this a major risk? In other words, are you helpless in the face of this crisis?

No, we are fully aware of this risk – and not just since revenue has declined. In fact, we have been developing new customer groups for quite some time – customers in other industries with growth potential and a future. These include the semiconductor industry and solar industry as well as SMEs from various industries across Europe. We are successfully correcting our course. Nevertheless, the automotive industry remains an important customer group for Viscom.

You identified the following mega-trends in the past: Electronics, miniaturisation. Do these continue to apply? Has the momentum of these trends changed?

Dependence on electronics that function perfectly continues to increase. Almost all aspects of human life involve electronic aids. And they are becoming more powerful, faster – and also smaller. Electronic components need to become more and more compact while the requirements for accuracy and inspection speed continue to increase. Viscom offers state-of-the-art solutions for all areas. While consumption is currently reduced, leading to lower investments, the trend itself has not changed. It has only weakened in the short to medium term. We have a solid foundation and hold a favourable position. Viscom will weather this crisis and the trend will once again gain momentum.

Let's talk about finances. What is your cash position?

Fortunately, our liquidity is extremely good. This financial cushion allows us to make the required investments, even during the current crisis. We are even able to carry out straightforward acquisitions, for example obtaining suitable technologies or business areas. This means we can take advantage of opportunities to expand our product portfolio for the future as they arise.

Why are you reducing the number of employees?

Once the full extent of the crisis became apparent, we were forced to cut costs. Reducing personnel expenses was unavoidable. Employment contracts with a limited term and contracts with temporary employment agencies were not renewed. To a lesser extent, dismissals due to business conditions were also required. In order to keep qualified employees at Viscom, we implemented reduced working hours starting in January 2009. This will allow us to respond quickly once the expected increase in order volumes materialises.

What are your research and development plans? In the past, you invested ten percent of revenue in this area. Will you continue to do so? Do you see great opportunities in developing new systems, or are you investing more in marketing?

We continue to rely on research and development. Viscom will keep the percentage of revenue invested in this area consistent. It is this strategy in particular that has allowed Viscom AG to establish an excellent position with newly developed systems over the last few years. We will continue to conduct research to maintain our position as a technology leader in the market.

What is the best way to expand your sales capacity? With subsidiaries around the world or with representatives?

We are well represented in the key markets with our subsidiaries and applications centres in America and Asia. This allows us to continue expanding our sales activities. However, we also plan to expand the number of representatives working for the success of Viscom.

“A positive outlook – even in the future.“

Could you become more involved in the low-price segment? What are customers looking for?

This depends on the desired depth of inspection. Since we are a technology leader, we tend to be found in the high-end segment. However, we do offer reduced functionality – for example with the 3088-II – in order to develop new industries and customers groups where inspection requirements have to be met subject to very strict economic constraints.

How important is Viscom to its customers? How expensive is Viscom for its customers? Will Viscom remain the number one choice?

Numerous arguments speak in favour of selecting Viscom. We offer high-end products which provide our customers with outstanding benefits; this includes ensuring our customers get great value for money. Investing in Viscom products pays off. We hold a global leadership position with our inspection systems. From a technological perspective, Viscom systems have numerous unique selling points. The X7056RS system, the only inspection system with simultaneous optical and 3D X-ray inspection capabilities, is a good example. Overall, Viscom offers leading technology products through a streamlined but well-established global organisation structure along with excellent service and good relationships with our local suppliers.

Back to the automotive industry: How will the changeover from the internal combustion engine to the electric car unfold? Will inspection systems from Viscom even be needed after that?

Yes of course. The engines may change, but the remaining electronics like ABS, ESP, airbags and other electronic components and control elements will not. Quite the contrary – the number of electronic components that need to be inspected should actually increase, partly due to electronic control elements for new drive systems. And Viscom intends to actively participate in this growth!

Security. Precision. Innovation.

Expertise in facts: Viscom develops, manufactures and sells high-quality automated optical and X-ray inspection systems to be used in industrial production. In addition to component and semiconductor inspection equipment, we implement customer-specific, custom optical and X-ray technology final inspection solutions. Applications range from the inspection of complete printed circuit boards through to the characterisation of solar cells in the photovoltaics field to industrial computed tomography.

Hanover is the nucleus of Viscom AG. This is where the roots of our global success can be found, where it all began – with the development of automatic image processing software nearly 25 years ago. All Viscom inspection systems are based on developments of this original software. Thanks to extraordinarily intensive dedication to all aspects of research and development, which was highly successful in the market, we now develop and manufacture intelligent solutions which are always at the cutting edge of modern technology at our main location in Hanover. Our tailor-made solutions for automatic inspection systems are used in almost all areas of the electronics industry – solutions for major, renowned companies all over the world.

Our customers are engaged in the fields of automotive and industrial electronics, aviation and aerospace, the semiconductor and photovoltaics industries as well as mechanical engineering and medical technology. Fields in which absolute precision and security, perfect product quality and process optimisation are in higher demand than almost anywhere else.

Viscom technology is at the cutting edge around the world. Innovative top-quality solutions are the result of consistent, user-oriented research and development. Viscom designs and manufacturers its high-resolution electronic camera and X-ray systems almost entirely independently. This keeps us flexible and proactive. Even with larger projects, Viscom is always able to act. The streamlined hierarchies of an SME with qualified, well-trained, dedicated employees are a key success factor.

Precision in series: The special strength and pronounced success of the Viscom series is based on a modular structure which facilitates the development of solutions that are cost effective and tailored to customer requirements.

The Viscom story –
always a success story.

Making progress means asking what drives our customers

The Viscom brand stands for top technology in the field of computer-controlled electronic camera and X-ray inspection systems. We are number one for component inspection in Europe and among the top three worldwide. This success is thanks to our customers.

Viscom pursues a consistent customer-oriented approach. We are at home in the key markets of Europe, the Americas and Asia with subsidiaries and representatives. For direct contact, outstanding service and full support coverage. “All business is local”: In Germany, across Europe, around the world.

Highly qualified engineers develop application-oriented inspection solutions in creative, cooperative partnerships with our customers. Our teams also lend our customers support even after a project is successfully implemented – whether technical details, system integration issues, applications or comprehensive process optimisation are on the agenda.

Close on-site customer contact and cooperation as equal partners form the basis of continuous innovation as well as intensive, effective research and development. The results are incorporated in the optimisation of existing and the design of new inspection solutions. The global market success of Viscom products, the outstanding reputation they enjoy thanks to their quality: All of this confirms our strategy. Our objective continues to be enhancing good customer relationships and developing new customer groups in Europe and around the world.

We have taken service to the next level. In order to provide even better support for our customers than we have in the past, we established service as an independent business area this year. This makes the outstanding know-how of Viscom service technicians available in a more flexible, direct manner than ever before. Only where our inspection systems operate smoothly can they optimise product quality, assure absolute security and help companies get ahead. Only then are our customers truly satisfied. And we as well.

Viscom turns complex problems into functional solutions.

A global foundation

1998 marks the beginning of internationalisation for Viscom AG. Subsidiaries are founded in the USA and Singapore. Three years later, Viscom already has a presence with subsidiaries and representatives in the most important markets around the world. Today our activities extend far beyond our headquarters in Hanover: Subsidiaries in Paris, Atlanta/Georgia and Singapore successfully provide local support for Viscom customers. In addition, we have established applications centres in Shanghai and San José, California as well as a new one in Guadalajara, Mexico in 2008. Qualified representatives at numerous locations around the world also look after the needs of our business partners directly.

Viscom USA celebrated its ten-year anniversary in 2008 – ten years of positive business development in the USA. In October 1998, Viscom Inc. opened the first office in Norcross, Georgia and in doing so took a major step towards a successful future. Several locations appeared promising. Viscom ultimately chose Atlanta for its US headquarters. The first AOI system was sold to Chrysler Corporation in August 1998. Viscom Inc. has continued to grow since the sale of this machine, proving that the expansion to America was definitely worthwhile. Today Viscom Inc. includes three North American subsidiaries.

On 10 October 2008, this important milestone was celebrated with employees, their families, business partners and friends following the move to a larger office for the current American headquarters in Duluth (Georgia).

As they do in the USA, our employees at Viscom subsidiaries and applications centres in Europe, China and Japan as well as service centres around the world ensure that customers receive perfect on-site support wherever they may be. Four applications centres on two continents offer perfect components to respond appropriately and quickly at any time. Here all Viscom inspection systems are available to customers for comprehensive tests and benchmarks. Local spare parts logistics drastically reduce delivery times. In addition, our experts support customers in all system application matters. The teams are supported and trained by applications specialists from Germany: Transferring knowledge for the benefit of new customers as well as long-term business partners.

Viscom views solutions from the customer's perspective.

A detailed perspective

Being good is not sufficient for us. Viscom products always have to improve, keep pace with the requirements of rapidly developing markets – and more: They have to set technology trends.

Viscom is ideally positioned. We respond to local market requirements on site. Close contact with our customers helps us implement customer requirements as new product developments even more accurately and quickly. Research and development experts in Germany are working on innovations tailor-made to meet the needs of our business partners around the world. The market success of our products is proof of our approach.

Innovation à la Viscom: With the X7056, we developed an inspection system for high-tech products meeting the latest technology requirements of the market – the first system in the world to support simultaneous optical and 3D X-ray inspection. It went into series production as the X7056RS inspection system in 2008. Our customers are convinced and we have received numerous orders from all over the world. Experts also expressed their recognition. With the X7056RS, Viscom is the proud winner of the SMT VISION Award 2008 in the USA as the best new product in the Inspection category.

Almost at the same time as the US award, Viscom was also recognised in China. In Shanghai, the S3088-II system received the SMT China VISION Award 2008 in the Inspection & Testing-AOI category. The inspection system features fast, reliable component inspection and is also great value for money, which scores points in the price-sensitive Asian region in particular. We are delighted about this award – and about the high demand and positive response of our customers.

Viscom had even more to offer in 2008: Among other things, we developed innovations in the field of wire bond inspection for extremely fine bond wire analysis, computed tomography with non-destructive 3D technology and, last but not least, photovoltaics. This industry is experiencing double-digit growth rates. The end of humanity's reliance on fossil fuels is in sight and photovoltaics offer an environmentally friendly energy generation concept for the future. Optical high-resolution inspection of solar modules every second: Once again, Viscom leads the pack.

Market growth is dynamic.
Viscom helps shape this growth.

Our products are only as good as our employees

As an attractive employer with a modern, team-oriented culture that extends through all areas of the Company – a company culture supported by more than 400 employees around the world – we can always rely on our employees: Personalities that act independently while identifying with Viscom, approaching complex problems in cooperative teams and maintaining an open, professional dialogue with our customers.

One thing is for sure: Viscom products can only ever be as good as the performance of the people who work for the Company. The high quality standards of high-tech inspection systems for optical and X-ray inspection developed and manufactured by Viscom have to be maintained at all times and in all interfaces.

To achieve this defined goal of high-end product quality, our employees have numerous opportunities for well-founded, flexible continuing education. Personalised training keeps them up to date on the latest technologies.

Continuing education details: Approximately half of all Viscom employees participated in at least one training course during the 2008 financial year. The selection of training topics was as varied as the demands placed on our teams in their day-to-day responsibilities: Machine programming was represented along with quality control, rhetoric and presentation skills, complaint management, customer interaction, time management, service manuals, foreign languages and, last but not least, a large selection of current computer applications.

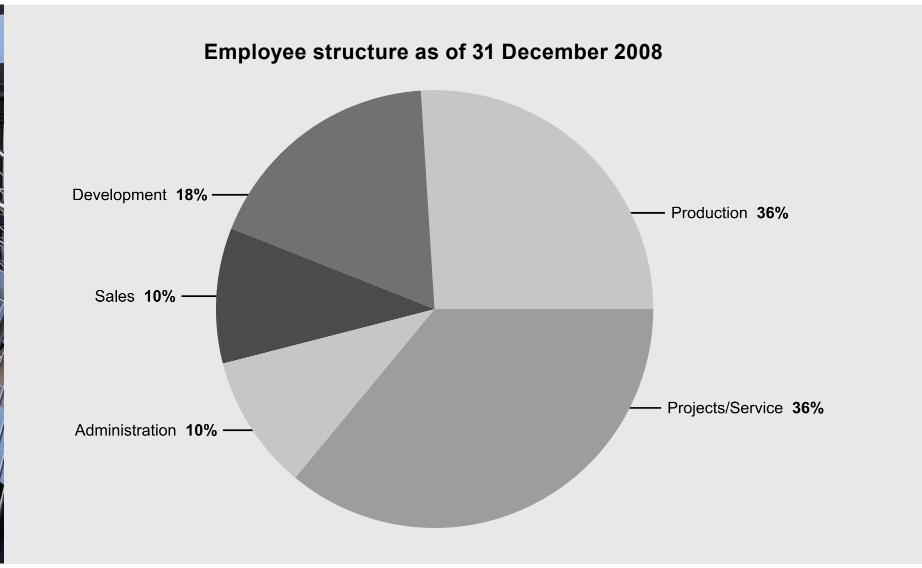
But news for the past financial year was not all good. Starting in the third quarter but especially in the fourth quarter of 2008, Viscom began to feel the negative impact of the global financial and economic crisis severely. In particular, the significant reluctance of customers to invest in automotive and automotive supplier industries – the Company's largest customer group – defined the situation and orders did not come in as planned and expected. Severe reductions to the favourable forecasts in the first half of the year were required.

Cost reductions – which also affected personnel – became unavoidable. We would like to take this opportunity for open communication regarding the reduction in the number of our employees.

All temporary employment contracts Viscom had concluded with temporary employment agencies expired at the end of 2008. Since there were no signs of a significant market recovery in the short to medium term, we were also unable to renew the contracts of temporary workers. Flex time accounts in production and logistics are currently being fully utilised. Furthermore, termination agreements were just as unavoidable as dismissals due to business conditions. The affected employees received fair compensation.

Overall, these measures are unpleasant for employees but essential for Viscom to maintain its position in a market that is experiencing a severe downturn – at least temporarily.

Nevertheless: Team spirit makes us strong – especially now during troubled times.



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IFRS Consolidated Financial Statements 2008

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Business and Economic Conditions

■ Structure of the Company and its investees

Viscom AG is the parent company of the Viscom Group (hereinafter referred to as "Viscom"). With subsidiaries in France, the USA and Asia that are wholly-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 the mutual exchange and utilisation of knowledge and experience. Production takes place exclusively in the Group's home city of Hanover. This means that Viscom enjoys the production benefits of one the most well-developed industrial locations, allowing it to guarantee a very high level of quality 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 approximately 61 % are held directly or indirectly by the Company's founders and Executive Board members Dr. Martin Heuser and Volker Pape. 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 December 2008, the Company had bought back 124,922 shares. The remaining shares are in free float.

As of 31 December 2008, the Executive Board of Viscom AG consisted of three members:

Dr. Martin Heuser: Technology
Volker Pape: Sales
Ulrich Mohr: Finances

The Executive Board is monitored by a Supervisory Board consisting of three members:

Dr. Jürgen Knorr: Chairman
Hans E. Damisch: Deputy Chairman
Prof. Dr. Claus-Eberhard Liedtke

■ 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.

■ Business processes

The inspection systems are developed and produced at the Company's headquarters in Hanover. This is also where all centralised functions – business administration, 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.
Order settlement is managed via a global order processing system.

■ Legal and economic factors

There have been no changes in legal factors with a material effect on the Company in the 2008 financial year.

However, macroeconomic developments following the international financial and economic crisis did have an impact on Viscom. The Company is severely affected by investment reluctance – especially in the automotive supplier industry but also among other electronics manufacturers – as a result of currently weak demand. A downturn in the production of consumer electronics in Asia also has a major effect on the Company.

■ Management system

Group management 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, revenue in its machine installation countries, 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 fluctuations, sick leave and per capita revenue as well as key indicators for project management, product development, production and logistics. The future-oriented key indicators include revenue and payment forecasts.

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 implemented in the short term.

Quarterly reports in accordance with IFRS have been published since the Company's initial listing.

Basic principles of the remuneration system

The remuneration of the Executive Board members is determined by the Supervisory Board. It generally consists of an annual fixed salary and a profit-related bonus. The fixed sum remains constant over several years.

Regarding variable remuneration, a bonus agreement is concluded with each member of the Executive Board in advance. It is also based on the amount of the basic salary.

The total remuneration paid to the Supervisory Board members consists of a fixed amount of € 45 thousand and a variable component. The amount is resolved by the Annual General Meeting on the past financial year.

■ Macroeconomic and sector development

Macroeconomic development

After the 2008 financial year started out quite stable, prices in the raw materials and oil markets increased in the first half of 2008. This development initially led to a rising inflation rate. However, the global economy headed for a severe sales crisis starting in the middle of the year, which was triggered by the international financial crisis. With the insolvency of one of the largest US investment banks in September 2008, the financial crisis experienced its first more significant decline. As the result of widespread uncertainty in international markets, this negative development quickly filtered through to the real economy and showed its effects in the form of lower revenue – especially among automotive manufacturers and subsequently also in the automotive supplier industry. Fear grew in many companies over the course of the year, especially in regards to potential liquidity bottlenecks. At this time, we are in the midst of a global recession and the final impact cannot be predicted.

While the steadily weakening US dollar resulted in falling demand for companies exporting to US dollar currency regions in the first half of 2008, the exchange rate has once again stabilised over the last few months. The average exchange rate for 2008 as a whole is USD/€ 1.47.

After banks also ran into difficulties in Germany and the federal government was forced to respond with bailout packages, the estimated gross domestic product was much lower than expected. Economic researchers are actually expecting a significant decrease for 2009.

Sector developments

Viscom's products are primarily represented in the electronics industry. The inspection of electronic assemblies is currently the main sales segment.

Technical developments in the electronics industry are usually a growth driver for Viscom. Revenue growth in Europe and America was very favourable in the first half of 2008. This development was enhanced by the fact that the order backlog for the X7056RS was eliminated in the second quarter of 2008. As a result, Viscom AG generated the highest second-quarter revenue in the history of the Company. Under normal conditions, the automotive electronics sector experiences significant innovative pressure combined with ever-increasing safety requirements in the automotive sector. Both the volumes and quality requirements of electronic assemblies are constantly increasing. In addition, complex and increasingly miniature electronic assemblies can only be reliably tested by automatic inspection systems. Customers require evidence of high resolution, reliable algorithms, high throughput and good service before making any decisions to purchase. With its intensified commitment in all of these areas, Viscom was able to provide evidence of these qualities in direct comparisons and thus reinforce its market position. However, an increase in revenues compared to last year could not be realised in Asia during the first six months. The main reasons for this were the weak US dollar which made it more difficult to establish competitive prices as well as a decrease in demand for inspection systems towards the end of the first half of the year.

In the second half of the year, it became increasingly apparent that business with the automotive manufacturer and automotive supplier industries was severely affected by the looming threat of a global recession. Demand – especially for high-consumption vehicles – fell sharply as a result of pronounced consumer reluctance, which is partly due to structural problems with manufacturers. The automotive industry in the USA is facing a particularly difficult situation and the request for government assistance has not been addressed. German manufacturers are extending their plant holidays and/or implementing reduced working hours for their workforce. A manufacturer of capital equipment, such as Viscom, is severely affected by the decreasing demand for automotives and the resulting drop in demand for electronic parts from suppliers.

Viscom has launched an internal sales and production project focusing on the new development of products for alternative customer groups in industries the Company does not currently focus on. The semiconductor and photovoltaics industries are particularly interesting for the future and Viscom is developing innovative new products for them. However, revenue in this area is still too low in order to compensate for the downturn in the automotive industry.

Target sectors, target markets and target customers

The systems produced by Viscom are primarily employed in the electronics industry. Producers of electronic assemblies are the main target segment with more than 80 % of revenue. Some of these companies, such as the manufacturers of mobile phones, 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 a vehicle. In addition, an increasing number of customers are so-called electronic manufacturing services (EMS). These are companies that do not produce their own brand products but instead serve exclusively as an extended workbench for product suppliers.

With the increase of electronics in vehicles combined with the high reliability requirements for vehicle systems, the automotive industry has developed into an important customer for electronic assemblies. As a rule these assemblies, which often represent safety-related components.

Due to rising technological demands, quality pressure in the consumer goods industry is also far higher at present than in previous years. Here the emphasis is on process quality since a stable process improves the delivery quality but especially also results in less waste and therefore higher levels of production efficiency. At the same time, Asian electronics manufacturers in particular are trying to position themselves as premium suppliers when they were still seen as low-price suppliers just a few years ago. In this area, it is more and more important to prevent returns due to poor quality.

Customers are also currently being recruited in the semiconductor and photovoltaics industries with new inspection system developments.

Close, longterm 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 54 % of its revenue with its two largest customers in the automotive supplier industry. A further 25 % of revenue was generated with approximately 35 customers, each of whom purchased between one and five inspection systems in the year under review. Overall, 18 % of revenue was generated with approximately 66 customers, who generally ordered one inspection system. The remaining revenue, which relates to approximately 240 different customers, was largely generated from services for systems already installed.

Market position

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

Accordingly, the main customers are companies who make product safety top priority. This includes aerospace and medical technology as well as the particularly high-volume automotive electronics sector. Here, Viscom has been one of the leading global suppliers of quality assurance machinery for many years.

The starting position is usually especially advantageous for Viscom since the Company is committed to a comparatively small degree in particularly cyclical market segments (IT, telecommunications) and to an especially high degree in market segments that normally experience relatively steady growth (automotive, industrial).

The model campaigns pursued by Viscom in 2007 (S3088-II system, MX products) and 2008 (X7056RS, S2012PV, MX100IR and MX2000IR systems) which involved considerable technical and economic progress resulted in an expanded market position in Germany and Europe during previous years.

Like most of its competitors, Viscom had to absorb a significant decrease in incoming orders during the 2008 financial year as the result of increasing investment reluctance. The Company is attempting to account for this development with comprehensive cost cutting measures. In addition to the planned reduction of variable costs, this also includes personnel restructuring measures.

The further development of products, improvements to its business processes and the adaptation of the sales organisation to changing conditions will allow Viscom to regain its former strength when the financial and economic crisis ends and to continue benefiting from the leading technology of its products on the international stage.

■ 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. This area also focuses on the definition of completely new products and machines. The acquired products in the MX family for instance are constantly being enhanced. Research and development expense including customer-specific developments amounted to approximately 10 % of revenue, which is the same as in the previous year.

Results of Operations

■ Development of revenue

Revenue amounted to € 49,915 thousand in 2008 (previous year: € 51,986 thousand). This corresponds to a decrease of 4.0 % compared to 2007. The 2008 financial year initially developed extremely positively. Revenue for the first quarter was € 11,865 thousand (previous year: € 10,716 thousand). In the second quarter of 2008, Viscom even achieved the highest quarterly revenue for a second quarter in the history of the Company. This was partly due to order backlog for the X7056RS, which was eliminated in the second quarter. Revenue of € 16,581 thousand was generated (previous year: € 8,463 thousand). Slight customer reluctance was felt by the beginning of the third quarter. Revenue only amounted to € 12,670 thousand for the third quarter of 2008 (previous year: € 14,374 thousand). The decline in revenue became much more severe in the fourth quarter. Revenue was limited to € 8,799 thousand (previous year: € 18,433 thousand). Unlike previous years, revenue in the second half of 2008 did not exceed the first half of 2008 as a result of the developing financial crisis.

■ Net profit for the period

Net profit for the period declined from € 3,559 thousand in the previous year to € -1,707 thousand. This was due to lower revenue caused by customer investment reluctance and the significantly higher proportion of personnel and material costs. The cost of replacing the 7056 with the 7056RS was fully included in material costs.

The workforce, which was established based on much higher revenue, was already adjusted at the end of the year. However, the cost reductions will not take effect until the first half of 2009. The implementation of new ERP software also had a negative impact on net profit for the period. In addition, the strong Euro led to a decrease in the average revenue margin compared to the previous year.
The ratio of net profit before taxes was -2.5 % (previous year: 10.6 %).

■ Earnings per share

As indicated in an ad-hoc release, Viscom began buying its own shares on the stock exchange effective 29 July 2008. During the period ending 31 December 2008, 124,922 shares were acquired for a total of € 561 thousand (including incidental acquisition costs). The share buyback programme reduced the number of dividend-bearing shares from 9,020,000 shares to 8,895,078 shares as of 31 December 2008.

Earnings per share for the 2008 financial year amounted to € -0.19 (diluted and undiluted) based on an annual average of 8,979,542 shares. In the previous year, earnings per share amounted to € 0.39 based on 9,020,000 shares.

As a result of current uncertainty regarding the development of the global economy, the Executive Board and Supervisory Board propose that no dividends are distributed for the 2008 financial year.

■ Operating profit

In the third quarter of 2008, the Executive Board received a statement from its designated patent agent on potential patent infringements. This statement indicates that the risk of a claim due to patent infringements is not expected to be realised so that the established provision is no longer justified. As a result, the provision for patent infringements and legal costs in the amount of € 1,290 thousand was fully dissolved and recognised in income at the end of the third quarter of 2008. The costs already mentioned under net profit for the period also had a significant impact on operating profit.

Operating profit fell to € -1,586 thousand (previous year: € 4,482 thousand).

■ Financial result

Compared to the previous year, the financial result dropped significantly. Securities which generated interest income and resulted in tax savings were acquired over the course of the financial year. As a result of the lower total cash investment and this new investment form which primarily has tax optimisation effects, the financial result amounts to € 314 thousand (previous year: € 1,006 thousand). This represents a decrease of 68.8 %.

■ Exchange rate result

At the beginning of the year under review, the consistently weakening US dollar had a negative impact on Company revenue. Exchange rate developments once again turned in favour of a strengthening US dollar towards the end of the financial year. Nevertheless, Viscom experienced a decline in revenue of approximately € 796 thousand for the 2008 financial year compared to the average exchange rate for the previous year (USD/EUR). Approximately 15.9 % of total revenue is subject to a direct exchange rate influence.

■ Incoming orders

At € 41,913 thousand, incoming orders for 2008 were significantly below the value of € 57,700 thousand for the previous year. The order backlog at the end of 2008 was € 6,198 thousand (previous year: € 14,200 thousand). Decreases in these two key indicators are the result of current investment reluctance on the part of our customers. This reluctance is expected to continue in 2009. Viscom is currently not expecting a trend reversal in the short term.

■ Employees

The following table shows the number of Viscom employees as of 31 December 2008. The total number of employees increased to 412 over the course of the year. 14 employees are in training as of the end of the year.

An average of 402 employees (excluding trainees) worked for the Group in the 2008 financial year. Out of this number, 148 employees are classified as commercial employees (sales, development and administration) while 254 are classified as industrial employees (production, logistics, projects and service).

As part of its cost cutting measures, the Company initiated the elimination of more than 60 positions in the fourth quarter. These mainly consist of employees with temporary contracts as well as employees who have agreed to contract termination. However, some dismissals due to business conditions could not be avoided. This reduction in jobs will not have an impact on the average number of employees until 2009.

As of 31 December 2008	AG	USA	Asia	France	Total
Total	355	20	31	6	412
Of which full-time	336	20	31	4	391
Of which part-time	19	0	0	2	21
Plus trainees	14	0	0	0	14

■ Regional developments

Germany

Revenue in Germany in the amount of € 19,554 thousand once again increased significantly compared to the previous year (€ 18,700 thousand). The Viscom home market remained its most important market in 2008. In Germany, the Company is the market leader for the production of inspection systems for electronic assemblies.

Additional new customers were acquired in Germany thanks to the success of the S3088-II. These are mostly SME subcontractors who manufacture products on behalf of other companies.

Europe

Revenue of € 15,075 thousand in the rest of Europe was almost the same as in the previous year (€ 15,037 thousand). Increasing competition in the market is having an impact. Viscom is responding by offering both low-cost and high-end products for various customer groups and requirements. The market with the highest revenue in the rest of Europe was Hungary with € 5,471 thousand followed by Romania with € 2,272 thousand and France with € 2,101 thousand.

Once again, the strongest impetus in 2008 was generated from the relocation and new construction of production capacity in Eastern Europe leading to revenue in excess of € 9,000 thousand in this region. The Company's existing relationships with the respective Western European parent companies, most of them based in Germany, proved to be a key success factor.

Americas

In America, Viscom was able to increase US dollar revenue significantly compared to the previous year. In spite of the extremely weak US dollar for the year as a whole, euro revenue increased by 8.5 % to € 8,643 thousand compared to € 7,969 thousand in the previous year. Investments in additional sales activities on the American continent, such as establishing and expanding application and training centres, are paying off. However, revenue recorded in the previous year in Central and South America and especially Mexico could not be achieved. Revenue amounted to € 2,727 thousand in 2008 (previous year: € 3,300 thousand). On the other hand, our expectations were exceeded in the USA and Canada with revenue of € 5,894 thousand (previous year: € 4,700 thousand).

Asia (including Australia)

Revenue development in Asia did not meet the Company's expectations for the year under review. Total revenue including direct deliveries fell by 35.4 % to € 6,643 thousand (previous year: € 10,280 thousand). Key reasons for this include the development of the US dollar in the first half of 2008 which was unfavourable for Viscom and, in the second half of the year, a decline in sales in the automotive industry combined with the global drop in demand for electronic equipment which is mainly manufactured in Asia.

The further development of the models helped offset falling prices in many cases. However, the weaker US dollar and related lower margins in Asia could not be fully compensated.

■ Products/inspection systems

The inspection systems offered by the Company are based on digital image processing technology, known as machine vision within the sector. Digitalised images are interpreted using special software tools and algorithms in order to measure, check and verify the objects being inspected. Entire production processes can be monitored and controlled using this measurement and inspection technology.

The images may be one, two or three-dimensional representations from optical area scan cameras, X-ray detectors, laser scanners or similar optical systems. While an extremely large selection of sensors is available as standard products in the area of optical technology, Viscom is also active as a manufacturer of X-ray tubes and related control electronics.

Due to the acquisition of the MX product family from Phoseon Technology Inc. in Portland/USA, Viscom has also been in a position to offer inspection systems for the semiconductor industry since the 2007 financial year. This inspection technology is based on a highly intensive beam of infrared light and is suitable for the inspection of components such as wafers and semiconductor assemblies.

The products manufactured in 2008 mainly consisted of optical inspection systems in the S6056 series as well as models in the S3088-II series. While the S3088 model was originally designed for the Asian market, significant numbers of the version S3088-II are now also being sold in Germany.

Viscom has a comparatively extensive product portfolio due to continuous product development. Many variants of the individual machine types can be manufactured based on a modular structure. This represents a distinct advantage for our customers.

Cost-effective model variants such as the S3088 product family can frequently be offered as entry-level systems with the potential for subsequent upgrading or retrofitting. This initial business is extremely important to Viscom since customer decisions in favour of a given system are generally long term in nature, thereby ensuring follow-up sales.

Viscom produces a wide range of models, usually in comparatively small numbers. This is achieved by using standardised modules. The model variants come about through design revisions and adaptations to the respective area of application. For example, all AOI systems in the market are operated with just two application software packages (SI for component inspection and VMC for general inspection). In turn, both are based on a single basic library.

The enhanced X7056RS went into series production in the second quarter of 2008. In the X-ray field, Viscom is focusing on computed tomography and technically demanding customer projects, primarily in the area of semiconductor inspection. The focus for 2009 is again on the further development of machines for the Asian market and primarily on the expansion of the new business area for infrared inspection and photovoltaics.

Continued development of the quality management system achieved steady quality improvements. Since January 2005, Viscom has been certified under DIN EN ISO 9000:2000 by the German Society for the Certification of Management Systems.

Financial Position

Viscom was able to continue providing the required liquidity entirely from its own funds in the 2008 financial year. In addition, the subsidiaries did not require any additional loans from the parent company. The Group's equity ratio is approximately 87 %.

■ Cash and cash equivalents/cash flow

Cash and cash equivalents as of 31 December 2008 amounted to € 26,254 thousand (previous year: € 27,726 thousand). This represents a reduction of approximately € 1.5 million compared to the previous year.

The cash flow from:

- operating activities showed a positive balance of € 2,007 thousand (previous year: € -5,650 thousand). This is primarily due to three cash flow changes. In particular, there was a positive change in the item "Inventories, receivables and other assets" resulting from lower total receivables. Furthermore, the expected taxable profit reduced the amount of income tax paid. The item "Increase/decrease in liabilities" changed in the opposite direction.

- investing activities amounted to € -328 thousand (previous year: € -2,107 thousand) and was mainly affected by the acquisition of a product family in the previous year.

- financing activities amounted to € -3,274 thousand (previous year: € -4,455 thousand) due to the dividend payment of € 2,706 thousand for the 2007 financial year.

As a result of the negative payment practices of some customers, the length of time for receiving payments from trade receivables has increased compared to the previous year. Overdue receivables have increased significantly compared to the previous year. However, there are no major defaults to report.

As of the consolidated balance sheet date, all bank accounts had a positive balance and there were no loan liabilities to third parties outstanding.

Net Assets

Current liabilities decreased during the financial year. Reasons for this included the dissolution of the provision for patent infringements and legal costs and, in connection with lower shareholders' equity, resulted in a balance sheet contraction. Total assets declined by 11.1 % from € 73,128 thousand to € 65,019 thousand.

Net assets did not develop as positively as planned in the 2008 financial year. While receivables are significantly lower compared to the previous year, cash in hand has nevertheless declined due to the profit distribution and the reduction in liabilities. Liabilities were generally settled with an early settlement discount within the agreed payment period.

■ Fixed assets
Fixed assets include intangible assets mainly consisting of patents (€ 1,860 thousand) and expertise/customer base (€ 130 thousand). These items were capitalised following the acquisition of the MX product family in the 2007 financial year and depreciated over their expected useful life.

■ Receivables
At € 10,218 thousand, trade receivables are below the previous-year level (previous year: € 16,783 thousand). This is mainly due to the reduction in customer orders during the last quarter of the financial year and the related decrease in revenue compared to the previous year. Write-offs of trade receivables totalled € 710 thousand (previous year: € 193 thousand). Overdue receivables increased by around 41 % overall compared to the previous year. However, most of the overdue receivables are short term in nature. Approximately 14.9 % of the total receivables are more than 6 months overdue.

■ Inventories
The book value of inventories stood at € 18,033 thousand at the end of the financial year (previous year: € 19,508 thousand). Net inventories include an adjustment for inventory coverage in excess of one year (€ 3,620 thousand), a specific adjustment for partially completed systems (€ 117 thousand) and a specific adjustment for rental and demo machines (€ 4,942 thousand). This means net inventories decreased by € 1,475 thousand compared to the previous year while gross inventories remained nearly constant.

■ Liabilities
Trade payables decreased significantly to € 815 thousand by the end of the year (previous year: € 1,855 thousand) as a result of the lower order volume. As of 31 December 2008, there were no liabilities to banks.

■ Shareholders' equity
Shareholders' equity fell by 7.8 % from € 61,499 thousand in the previous year to € 56,677 thousand. This decrease is on the one hand due to the distribution of dividends in 2008 for the profit of the previous year with negative annual profit in the current financial year as well as the repurchase of the Company's own shares with a total value of € 561 thousand. However, the equity ratio of 87.2 % is higher compared to the value for the previous year (84.1 %) as a result of lower total assets.

■ Investments
Investments totalled € 884 thousand (previous year: € 3,693 thousand).

The majority of investments was allocated to software (€ 82 thousand, previous year: € 145 thousand), advance payments for intangible assets (€ 310 thousand, previous year: € 319 thousand) as well as operating and office equipment (€ 370 thousand, previous year: € 591 thousand).

■ Rental and lease contracts
Almost all of the Group's capital equipment was directly owned. Due to liquidity and economic considerations, the operating premises and vehicle fleet were rented or leased.

■ Subsidies
Viscom did not receive any subsidies in 2008 and did not commit to any particular obligations in this regard.

Key Figures on the Group‘s Net Assets, Financial Position and Results of Operations

Key Figures on the Group‘s Net Assets, Financial Position and Results of Operations	**2008 K€**	**2007 K€**
Tier 1 liquidity (cash and cash equivalents less current liabilities)	18,445	16,626
Tier 2 liquidity (tier 1 liquidity plus receivables less non-current liabilities)	33,032	36,348
Tier 3 liquidity (tier 2 liquidity plus inventories)	51,065	55,856
Assets:		
Cash and cash equivalents	26,254	27,726
Receivables and other assets	15,120	20,251
	41,374	**47,977**
+ Inventories	18,033	19,508
	59,407	**67,485**
Liabilities:		
Current liabilities	7,809	11,100
Noncurrent liabilities	533	529
Cash Flow 1		
Net profit for the period after taxes	-1,707	3,559
+ Depreciation and amortisation expense	1,045	937
	-662	**4,496**
Return on equity		
Net profit for the period/shareholders‘ equity	-3.0 %	5.8 %
Return on Investment (ROI)		
Net profit for the period/total assets	-2.6 %	4.9 %
Return on revenue		
EBT/revenue	-2.5 %	10.6 %
Return on capital employed (ROCE)		
EBIT / (total assets – bank balances – current liabilities)	-5.1 %	13.1 %
Net debt		
Liabilities (-)	-8,342	-11,629
+ Cash and cash equivalents	26,254	27,726
+ Receivables and other assets	15,120	20,251
= Net debt	33,032	36,348
Working capital		
Current assets - liabilities	51,065	55,856
Equity ratio		
Shareholders’ equity/total assets	87.2 %	84.1 %

Report on Post-Balance Sheet Date Events

There were no significant events after the end of the 2008 financial year.

Risk Report

■ Risk management strategy, processes and organisation

The Company has installed a risk management system in accordance with section 91 (2) of the German Stock Corporation Act (AktG). The guiding principle of risk management is that the relevant decision-makers should be made aware of the development of significant risks as promptly and comprehensibly as possible in order to facilitate a timely and appropriate response or pre-emptive action. To this end, regular meetings of senior employees are held, during which the current status of and approach to the recognised significant risk positions are clarified on the basis of corresponding evaluations and reports. Additional information regarding the current status may be required; this is obtained from employees in the respective departments.

In accordance with section 91 (2) of the German Stock Corporation Act (AktG), the following risks are regularly evaluated at management meetings with decisions being made as required.

■ Country risk

Revenue is generated almost exclusively from customers in industrialised nations with a functioning legal system. Based on past experience, the enactment of trade restrictions on the goods sold by Viscom is not a matter of concern. There are currently no import restrictions on the inspection systems produced by Viscom.

■ Sector risk

More than three-quarters of the Viscom customer base is in the automotive sector. Due to the specialisation on printed circuit board inspection for automotive suppliers, there is a heightened risk in the event of a long term decline in this market which has become apparent in the current situation. Regardless of economic conditions in the automotive industry, the proportion of electronics in vehicles is increasing.

■ Customer risk

Viscom generated approximately 54 % of its revenue with the global operations of the subsidiaries of Bosch and Continental as well as the former Siemens VDO. Each operation of these subsidiaries is generally free to make its own investment decisions. Nonetheless the high proportion of revenue with these major customers can present a certain risk.

As a result of the current financial market crisis, there is an increased default risk among smaller customers with lower revenue in particular.

■ Foreign currency risk

Exchange rates with the Euro were exposed to substantial fluctuations in some cases. The development of the US dollar, which is also a key currency for the economies of South-East Asia, is an important factor for Viscom.

Sales in US dollars were affected in tranches during periods of positive development to ensure that potential exchange rate losses were minimised. Any remaining risk was covered during the year using currency forwards.

■ Procurement risk

The procurement of components and services from third-party suppliers is generally subject to the risk of changes in prices and delivery schedules. Corresponding purchasing negotiations have succeeded in ensuring that acquisition prices have largely remained stable despite some major price increases on the raw materials market. The Company is only directly dependent on specific suppliers to a very limited extent. In the period under review, there were occasional supply bottlenecks for parts and components but they were limited by using alternative suppliers and increasing minimum inventory levels. However, the possibility of future supply bottlenecks caused by insolvencies cannot be ruled out.

■ Liquidity risk

The initial public offering in 2006 resulted in a substantial improvement in the liquidity situation. No borrowing will be required to finance the expenditures that have been made and are planned for 2009.

■ Default risk

Default risk related to specific contractual partners cannot be ruled out at this time.

However, Viscom employs appropriate control processes to ensure that sales are only entered into with customers that have a proven credit standing at the time of sale. This means that the default risk is kept within acceptable limits.

Viscom does not act as a guarantor for the obligations of other parties.

The maximum default risk can be derived from the carrying amount of the respective financial assets as reported on the balance sheet.

■ Trademark and patent risk

The Viscom brand is registered as a trademark in the key global industrial nations. To prevent having to reveal its expertise to third parties, no process patents have been registered to date with the exception of the patents for the MX products which have been applied for and partially registered. However, since Viscom's inspection systems are based on similar design principles as those of its US competitors, there is a certain fundamental risk of potential patent infringement. Based on a statement presented by an authorised patent agent in the third quarter of 2008, the Executive Board of Viscom AG assumes the risk of a claim from a potential patent rights infringement is immaterial. Therefore the provision previously established in this regard was dissolved in the third quarter.

■ Competitive risk/competitive advantage

Most of Viscom's competitors are subsidiaries of multinational conglomerates with high investment potential. As a result of permanent product innovations combined with a degree of flexibility that is significantly higher compared to its competitors – for example in adapting machines to meet customer requirements – Viscom has been able to increase or at least maintain its market share in the past. Viscom will continue doing everything required in order to keep developing its competitive advantage.

■ Significant events in the past financial year

The Company was not involved in any significant legal proceedings as of 31 December 2008.

As mentioned above, the potential patent risk in the USA has been assessed as much lower compared to previous years following a renewed examination by a patent agent. In the period from 2004 to 2007, a provision in the amount of € 1,260 thousand was established for this patent risk. As a result of the risk reassessment, the entire provision in the amount of € 1,290 thousand established up to that point was dissolved towards the end of the third quarter of 2008.

Risks affecting the Company's short to medium term development arising from general economic developments and investment reluctance in the automotive industry are apparent at present.

Risks from business relationships, especially receivables default risks related to high revenue customers, are not apparent at present. However, risks are evident relating to the development of revenue since this is highly dependent on subsequent developments in the automotive supplier industry.

Viscom announced dismissals due to business conditions at the end of the year. The required provisions for fair compensation were established at the time. There may be a residual risk from potential employment protection litigation.

Forecast 2009/2010

■ Economic conditions

Global economic conditions are extremely uncertain for 2009. Various economic experts are assuming that consumer spending and investments will continue to fall at least until the middle of the 2009 calendar year. On the other hand, estimates regarding the length of the recession vary. While some experts believe the recession could end in 2009 – at least in Europe – others think the negative developments will continue into 2010. In many newly industrialised economies with high production capacity – especially in Asia – economic growth which is otherwise in the double digit region is decreasing because of the international economic crisis. This means continued investment reluctance is to be expected in these countries in 2009/2010. Nevertheless, on-going technology advancements will lead to new electronic products and the steady expansion of electronics production. Many new products are designed in such a way that their production is only possible by carrying out a rationally designed inspection process aimed at guaranteeing sufficient product quality.

Based on the uncertain development of the economy over the coming years described above, the Company-specific forecast is subject to major uncertainty.

There have been no significant changes in the key political risk factors in recent years. The crisis regions in the Middle East are of minimal significance to the business of Viscom AG. On the other hand, the possibility of trade policy regulatory measures and currency fluctuations is more relevant.

■ Business policy

The core focal points of the Viscom strategy are:

- Extensive innovation capacity
- Technology leadership
- Technology partnerships with key customers

These strategies allow Viscom to develop innovative products and offer them on a customer-specific basis. Extensive innovative capacity provides the framework for the Company‘s rapid and comprehensive adjustment to reflect new challenges in the market. The position of technology leadership is used to transport the Company’s image to the market, “If anybody can do it, Viscom can”. In turn, technology partnerships mean that technology expertise is available promptly and in depth, therefore allowing the other objectives to be achieved.

Based on these strategic focal points, Viscom will continue to expand its presence in regions with the highest sales in order to optimise direct customer support.

■ Markets

Experts continue to view the European market as consolidated. As the home market of Viscom and a strong technology trend setter in the field of automotive electronics, this market will continue to be very important to Viscom after the automotive sales crisis ends. We expect lower revenue within the European market – including Southern and Eastern Europe – over the course of 2009.

The situation in America is similar. In the USA and Canada, the market will decline in the short term. Growth opportunities are expected in Central and South America in the medium term.

All current forecasts, especially in the electronics industry, are calling for low or even zero growth in Asia. This is why we are assuming that incoming orders and revenue will drop drastically in Asia. Here the stated goal of the Company is to continue enhancing recognition of the Viscom brand in order to take better advantage of market opportunities when the economy recovers.

■ Company segments

In addition to geographical segments (markets), Viscom also performs segment reporting based on its business areas. Since revenue for the majority of these segments accounts for less than 10 % of total revenue, segmenting by business areas is of subordinate importance.

The SP business area is responsible for enhancing, producing and distributing series systems which are the Company's major revenue drivers.

On the other hand, the XP and NP business areas develop promising new products with growth potential for customer applications in the context of individual projects. They are the innovation drivers which generate expandable revenue drivers as part of product development and market penetration. On this basis, the relative and absolute profit contributions of the SP business area will strengthen even further over the next two years. By internally transferring its series business to the SP business area, the capacities of the XP business area for instance are being used for developing new sub-markets with a demand for the inspection of hidden components without disassembly, among other things. Computed tomography (CT) will constitute another focal point.

The IP business area (products for semiconductor inspection) is being expanded further with the corresponding expertise related to the MX product family acquired from Phoseon Technology Inc. in 2007. Viscom is developing a new customer group with the inspection systems marketed here. Infrared inspection technology will form another pillar of strong growth alongside optical and X-ray inspection technology.

Viscom Service was established as an independent central business area in 2008. This new business area assumed its responsibilities 1 January 2009 with the objective of offering an even better, more diversified service portfolio to our customers.

■ Products and services

Viscom will continue to focus on the development of new inspection systems in order to meet future customer requirements.

Among other things, the XP business area will become increasingly involved in three-dimensional inspection (CT) technology.

Due to the steadily increasing installation base in the NP business area, follow-up business which includes training, maintenance, replacement part sales and upgrade projects will continue to increase in terms of both volume and differentiation.

A great deal is also expected from the new IP business area. After the initial installations in 2008, higher revenue is expected in the new customer segments in the future.

■ Production/production processes

As part of the continuous improvement of the Company's workflows, processes are being further standardised and rationalised. The objective is to assure efficient production while maintaining the same high level of product quality.

■ Procurement

The established procurement structures are well proven. Viscom will continue counting on reliable partners and expanding the procurement structures internationally when required.

■ Results of operations

Viscom anticipates a significant drop in revenue in 2009 compared to 2008. The development of incoming orders and revenue will largely depend on the overall economic situation, especially in the automotive industry, which cannot be predicted based on current information. However, extensive cost cutting measures were implemented at the end of 2008 in response to this situation. In particular, a decision was made to reduce personnel at all locations accordingly and to implement reduced working hours on a large scale at the main location in Germany. The possibility of additional restructuring measures cannot be excluded if the economic situation continues to worsen. Viscom expects results of operations to return to normal starting in 2010.

■ Financial position

It can be assumed that the financial position will suffer as a result of the crisis. However, there are no plans for borrowing in 2009 thanks to the good liquidity position. Some of the available capital continues to be earmarked for investing activities.

■ Investments and financing

The Company plans to make additional investments in its core business in the future. These relate to further developing products, expanding its regional presence and strengthening the organisational structure. These investments will be financed primarily from own funds. Other financing models are used where third-party funding is more economically viable. This currently applies to the operating premises, buildings and vehicle fleet. Viscom made a major investment in 2008. A new ERP system, which supports nearly all business areas with its integrated software modules, was installed.

■ Other cash flows and refinancing

Additional cash flows exist only in the form of dividend distributions to shareholders. This generally depends on the earnings strength in the respective period.

Branch Offices

Viscom AG has a branch office in Munich to support its sales activities in southern Germany, Austria, Hungary and Switzerland. This branch office operates as a legally dependent sales office for the sale of Viscom inspection systems.

Report on Additional Disclosure Requirements for Listed Companies

Viscom AG completed its initial public offering in May 2006 and has since been listed in the Prime Standard of the Official Market (Amtlicher Markt).

The subscribed capital amounts to € 9,020 thousand and is divided into 9,020,000 no-par value bearer shares with a notional interest in share capital of € 1.00 per share.

HPC Vermögensverwaltung GmbH, Hanover acquired a total of 98,004 Viscom AG shares in the 2008 financial year and therefore held an interest of 55.35 % in Viscom AG as of 31 December 2008. Each share entitles the bearer to one vote at the Annual General Meeting. None of the issued shares are furnished with special rights.

The Supervisory Board is responsible for determining the number of Executive Board members, appointing and dismissing the ordinary or alternative members of the Executive Board and concluding the corresponding employment contracts. The Supervisory Board appoints the Executive Board members for a maximum of five years. Members may be reappointed or their term of office extended for a maximum of five years in each case. The Supervisory Board is authorised to transfer responsibility for the conclusion, amendment or termination of the corresponding employment contracts to a Supervisory Board committee.

The Supervisory Board is authorised to make amendments to the Articles of Association that relate solely to their wording. This also applies to amendments to the Articles of Association as a result of changes in the Company's share capital.

The Executive Board is authorised, with the approval of the Supervisory Board, to increase the share capital of the Company on one or more occasions in the period until 12 April 2011 by a total of up to € 4,500,000 by issuing up to 4,500,000 new no-par value bearer shares against cash or non-cash contributions (authorised capital).

Viscom AG, represented by the Executive Board, is authorised in the period until 11 December 2009 to acquire own shares of up to 10 % of the current share capital. The shares acquired based on this authorisation, together with shares held by Viscom AG or to be assigned in accordance with section 71a ff. of the German Stock Corporation Act (AktG), may at no point exceed 10 % of the Company's current share capital. The acquired own shares may be used for all legally allowable purposes.

Hanover, 9 March 2009

Dr. Martin Heuser Volker Pape Ulrich Mohr

IFRS Consolidated Financial Statements 2008

Consolidated Income Statement

Item	Consolidated income statement	31.12.2008 K€	31.12.2007 K€
G1	Revenue	49,915	51,986
G2	Other operating income	3,155	1,195
		53,070	**53,181**
G3	Changes in finished goods and work in progress	-1,007	4,187
G4	Cost of materials	-20,007	-22,107
G5	Staff costs	-20,689	-18,772
G6	Depreciation and amortisation expense	-1,045	-937
G7	Other operating expenses	-11,908	-11,070
	Operating expenses	**-54,656**	**-48,699**
	Operating profit	**-1,586**	**4,482**
G8	Interest income	589	1,039
G8	Interest expense	-275	-33
G9	Taxes on income	-435	-1,929
	Net profit for the period	**-1,707**	**3,559**
G10	**Earnings per share (diluted and undiluted) in €**	**-0.19**	**0.39**

Consolidated Balance Sheet: Assets

Item	Assets	31.12.2008 K€	31.12.2007 K€
	Current assets		
A1	Cash and cash equivalents	26,254	27,726
A2	Trade receivables	10,218	16,783
A3	Current income tax assets	3,993	2,709
A4	Inventories	18,033	19,508
A5	Other financial receivables	151	166 (*)
A5	Other assets	758	593 (*)
	Total current assets	**59,407**	**67,485**
	Noncurrent assets		
A6	Property, plant and equipment	1,940	2,182
A7	Goodwill	15	15
A8	Intangible assets	2,756	2,725
A9	Loans granted by the Company	87	98
A10	Deferred tax assets	814	623
	Total noncurrent assets	**5,612**	**5,643**
	Total assets	**65,019**	**73,128**

*) See explanatory notes in A5 for information on reclassification

Consolidated Balance Sheet: Liabilities and Shareholders‘ Equity

Item	Liabilities and shareholders’ equity	31.12.2008 K€	31.12.2007 K€
	Current liabilities		
P1	Trade payables	815	1,855
P2	Payables to affiliated companies	0	28
P3	Advanced payments received	315	718
P4	Provisions	2,645	3,802 (**)
P5	Current income tax liabilities	451	312
P6	Other financial liabilities	1,824	2,625
P7	Other current liabilities	1,759	1,760 (**)
	Total current liabilities	**7,809**	**11,100**
	Noncurrent liabilities		
P8	Noncurrent provisions	265	159
P8	Other noncurrent liabilities	268	370
	Total noncurrent liabilities	**533**	**529**
	Shareholders’ equity		
P9	Subscribed capital	9,020	9.020
P10	Capital reserves	41,609	42,170
P11	Retained earnings	6,114	10,527
P12	Exchange rate differences	-66	-218
	Total shareholders’ equity	**56,677**	**61,499**
	Total liabilities and shareholders’ equity	**65,019**	**73,128**

**) See explanatory notes in P4 and P6 for information on reclassification

Cash Flow Statement

Item	Cash Flow Statement	31.12.2008 K€	31.12.2007 K€
	Cash flow from operating activities		
	Net profit for the period after interest and taxes	-1,707	3,559
G9	Adjustment of net profit for income tax expense (+)	435	1,929
G8	Adjustment of net profit for interest expense (+)	275	33
G8	Adjustment of net profit for interest income (-)	-589	-1,039
A6 to A8	Adjustment of net profit for depreciation and amortisation expense (+)	1,045	937
P4	Increase (+) / decrease (-) in provisions	-682	137
A6 to A8	Gains (-) / losses (+) on the disposal of noncurrent assets	1	-46
A2 to A5, A9 to A10	Increase (-) / decrease (+) in inventories, receivables and other assets	7,948	-7,295
P1 to P3, P5 to P7	Increase (+) / decrease (-) in liabilities	-2,826	-1,212
G9	Income taxes paid	-1,893	-2,653
	Net cash used in/from operating activities	**2,007**	**-5,650**
	Cash flow from investing activities		
	Proceeds (+) from the disposal of noncurrent assets	51	125
A6 to A8	Acquisition (-) of property, plant and equipment and noncurrent intangible assets	-884	-1,339
G8	Interest received (+)	558	1,002
See other disclosures	Payments from acquisition of a business area (-)	-53	-1,895
	Net cash used in investing activities	**-328**	**-2,107**
	Cash flow from financing activities		
P8 to P11	Payments for acquisition of own shares (-)	-561	0
P8 to P11	Dividend distribution (-)	-2,706	-4,510
P8 to P11	Payment from deferred receivables to capital reserve (+)	0	88
G8	Interest paid (-)	-7	-33
	Cash flow from financing activities	**-3,274**	**-4,455**
	Changes in cash and cash equivalents due to changes in interest rates	123	-206
	Cash and cash equivalents		
	Changes in cash and cash equivalents	-1,595	-12,212
	Cash and cash equivalents at 1 January	27,726	40,144
	Total cash and cash equivalents	**26,254**	**27,726**

Statement of Changes in Shareholders' Equity

Shareholders' equity	**Sub-scribed capital K€**	**Capital reserves K€**	**Exchange differences K€**	**Retained earnings K€**	**Total K€**
Shareholders' equity at 1 Jan. 2007	**9,020**	**42,082**	**-6**	**11,478**	**62,574**
Exchange rate differences	0	0	-212	0	-212
Net profit for the period	0	0	0	3,559	3,559
Total income and expenses	**0**	**0**	**-212**	**3,559**	**3,347**
Dividends	0	0	0	-4,510	-4,510
Payment from deferred receivables to capital reserves	0	88	0	0	88
Shareholders' equity at 31 Dec. 2007	**9,020**	**42,170**	**-218**	**10,527**	**61,499**
Shareholders' equity at 1 Jan. 2008	**9,020**	**42,170**	**-218**	**10,527**	**61,499**
Exchange rate differences	0	0	152	0	152
Net profit for the period	0	0	0	-1,707	-1,707
Total income and expenses	**0**	**0**	**152**	**-1,707**	**-1,555**
Dividends	0	0	0	-2,706	-2,706
Acquisition of own shares	0	-561	0	0	-561
Shareholders' equity at 31 Dec. 2008	**9,020**	**41,609**	**-66**	**6,114**	**56,677**

Notes to the Consolidated Financial Statements

■ General disclosures on the Company and the consolidated financial statements

Fundamental accounting principles

Viscom AG is domiciled in Hanover, Germany and is entered in the local commercial register under HRB 59616. The business address is Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover.

These consolidated financial statements were approved on 9 March 2009 by the Executive Board for presentation to the Supervisory Board.

The consolidated financial statements and the 2007 Group management report were submitted to and published in the electronic version of the German Federal Gazette.

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.

Declaration of compliance

The present financial statements for the 2008 financial year were prepared on the basis of uniform application and compliance with all of the applicable International Financial Reporting Standards (IFRS) as adopted by the European Union at the reporting date of 31 December 2008. Viscom does not apply any standards and interpretations published by the International Financial Reporting Interpretations Committee (IFRIC) whose application was not yet compulsory for financial years starting on 1 January 2008. The Group will only take into account the following adopted financial reporting standards and interpretations of the IFRIC when it is obligatory to do so:

Standards, improvements to IFRS and guidelines for which early application was not elected although they were already endorsed by the EU as of 31 December 2008:

IAS 1 Presentation of Financial Statements mainly contains changes to the presentation of shareholders' equity and the definition of components of the consolidated financial statements. The revised standard is to be applied for financial years beginning on or after 1 January 2009. The changes to IAS 1 are not expected to have a material effect on the net assets, financial position and results of operations presented in the consolidated financial statements.

IAS 23 Borrowing Costs was changed/revised. The fundamental change concerns the abolition of the accounting policy choice to recognise borrowing costs directly as expenses which can be assigned to the acquisition or manufacture of so-called qualified assets. Accordingly, companies have an obligation to capitalise such borrowing costs as costs of acquisition or manufacture. The standard is to be applied for the first time to borrowing costs for qualified assets, the capitalisation of which begins on or after 1 January 2009. The changes to IAS 23 are not expected to have a material effect on the Viscom Group since Viscom currently does not own corresponding qualified assets.

The changes to **IAS 32 (2008) Financial Instruments: Presentation/IAS 1 Presentation of Financial Statements** were published in February 2008 and are to be applied for the first time to financial years beginning on or after 1 January 2009. The classification of certain financial instruments, which are considered financial liabilities according to the definition in IAS 32 but which include a residual claim to the net assets of the entity, was clarified. There are no resulting effects on the Viscom Group.

The revised standard **IFRS 2 Share-Based Payment** was published in January 2008 and is to be applied for the first time to financial years beginning on or after 1 January 2009. In addition to the definition of vesting conditions for undertakings/plans that have been received, reporting in case of cancellation for undertakings/plans that have been received was also clarified. The application of the revised IFRS 2 has no effect on the Viscom Group.

IFRS 8 Segment Reporting contains new regulations for the reporting by an entity of its reportable segments. Accordingly, segment reporting must be in line with the so-called “management approach”.
The revised standard is to be applied for financial years beginning on or after 1 January 2009.

The new standard will affect the way financial information for the Group’s business areas is published, but not the recognition and measurement of assets and liabilities in the consolidated financial statements.

Changes to IFRS 1 and IAS 27 – acquisition costs of an investment in a subsidiary, joint venture or associate
The changes to IFRS 1 and IAS 27 were published in May 2008 and are to be applied for the first time in the reporting period beginning on or after 1 January 2009. The changes to IFRS 1 allow an entity to determine the acquisition costs for investments in subsidiaries, joint ventures and associates in its IFRS opening balance sheet with the application of the amounts reported under the previously applied accounting standards or with the application of the fair values as a substitute for acquisition costs (deemed cost). These changes to IAS 27 only affect the separate, individual financial statements of a parent company and, in particular, establish that all dividends of subsidiaries, joint ventures and associates must be included in profit or loss in the separate, individual financial statements. In general, the transition guidelines call for prospective application. The Group currently believes that the application of the revised standards will not have a significant effect on the net assets, financial position and results of operations of the Group.

Improvements to IFRS 2008
The changes resulting from the 2008 improvement project were published in May 2008 and are to be applied for the first time in the reporting period beginning on or after 1 January 2009 with the exception of IFRS 5, which is to be applied from 1 July 2009. As part of the 2008 improvement project, numerous significant changes that affect recognition and measurement as well as purely editorial changes were passed.

Examples of the latter are revisions to specific definitions and phrasing to assure consistency with other IFRS. The Group has not yet applied the following changes:

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations: It was clarified that all assets and liabilities of a subsidiary where a planned disposition results in the loss of control over this subsidiary must be classified as “held for sale” even when the entity will retain a non-controlling interest in this former subsidiary after the disposition.

IAS 1 Presentation of Financial Statements: It was clarified that reporting financial instruments classified as available for sale as current assets or liabilities is not mandatory. Classification as “current” is solely based on the classification criteria in IAS 1.

IAS 10 Events After the Reporting Period: It was clarified that dividends approved after the reporting date but before approval for the publication of the financial statements do not represent an obligation on the reporting date and are therefore not included in the financial statements as a liability.

IAS 16 Property, Plant and Equipment: Proceeds from property, plant, and equipment held for leasing purposes and sold in the course of ordinary business operations after leasing are to be reported under revenue.

IAS 19 Employee Benefits: In addition to revising several definitions, it was clarified that plan changes which result in a reduction of benefits for services performed in future periods must be recognised as plan reductions. On the other hand, plan changes where the reduction of benefits relates to services already performed must be recognised as past official service expenditures.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance: In the future, an obligation to calculate the interest advantage applies to interest-free and low-interest loans. The difference between the amount received and the discounted amount must be recognised as government assistance.

IAS 23 Borrowing Costs: The definition of borrowing costs was revised to the extent that the guidelines in IAS 39 for the effective interest rate were adopted.

IAS 27 Consolidated and Separate Financials Statements According to IFRS: It was clarified that the reporting of a subsidiary at fair value in accordance with IAS 39 is maintained in the separate, individual financial statements of a parent company even if the subsidiary is classified as available for sale.

IAS 28 Investments in Associates: Since goodwill included in the book value of an investment in an associate is not reported separately, it is also not subject to a separate impairment test. Instead, the entire book value of the investment is subject to the impairment test as a single asset and is value adjusted if required. It was now clarified that a write-up of the investment in an associate value adjustment in prior reporting periods is also recorded as an increase in the value of this single asset and not allocated to the goodwill included in the asset value. Another change relates to the disclosure requirements for such investments in associates which are recognised at fair value in accordance with IAS 39. In the future, only the requirements of IAS 28 apply to these investments so that the type and scope of significant restrictions on the ability of the associate to transfer financial assets in the form of cash or loan repayments to the entity must be disclosed.

IAS 29 Financial Reporting in Hyperinflationary Economies: It was clarified that in financial statements based on historical costs of acquisition or manufacture, assets and liabilities that are to be or can be measured at fair value do not need to be limited to property, plant, and equipment as well as financial investments.

IAS 31 Interests in Joint Ventures: The change relates to the disclosure requirements for such interests in joint ventures which are recognised at fair value in accordance with IAS 39. In the future, only the requirements of IAS 31 apply to such interests which means that the obligations of the partner company and the joint venture as well as a summary of financial information including assets, liabilities, revenue and expenses must be disclosed.

IAS 34 Interim Financial Reporting: It was clarified that the undiluted and diluted earnings per share only need to be reported in interim financial reports if the entity is subject to the provisions of IAS 33 Earnings per Share.

IAS 36 Impairment of Assets: The disclosure requirements for the calculation of value in use and the calculation of fair value less costs to sell based on the discounted cash flow model were harmonised.

IAS 38 Intangible Assets: Expenditures for goods and services used for advertising campaigns and sales promotion measures (including mail order catalogues) must be charged to expenses going forward when the entity receives the related goods or services. Furthermore, the application of the amortisation method based on the pattern of benefits is permitted for intangible assets without restrictions.

IAS 39 Financial Instruments: Recognition and Measurement: Going forward, derivatives can be designated as being measured at fair value through profit or loss after initial recognition if circumstances change and can be removed from this category as long as this does not constitute reclassification in terms of IAS 39. Furthermore, the reference to a "segment" was eliminated in regards to the determination whether an instrument fulfils the criteria for a hedging instrument. It was also clarified that the recalculated effective interest rate is to be used for the measurement of a debt instrument after the end of reporting as a fair value hedge.

IAS 40 Investment Property: Property that is being constructed or developed for future use as investment property will no longer be classified under property, plant, and equipment but under investment property, and is either measured at the cost of acquisition or construction or at fair value. If the entity uses the fair value model but the fair value cannot be reliably determined, the property being constructed or developed is measured at the cost of acquisition or construction until the fair value can be determined or construction is complete.

IAS 41 Agriculture: The restriction on using an input tax discount rate in the calculation of fair value was eliminated. Furthermore, the prohibition to take into account the cash flows resulting from additional biological transformations and other future activities of the entity when estimating fair value was lifted.

The Viscom Group assumes that, with the exception of new regulations with effects that have been separately identified, the new regulations resulting from the improvement project will not have a significant effect on the financial statements

IFRIC 13 Customer Loyalty Programmes governs the reporting of customer loyalty programmes operated by the manufacturers or service providers themselves or by third parties. IFRIC 13 is to be applied for financial years beginning on or after 1 July 2008. The initial application of IFRIC 13 will have no effect on the consolidated financial statements of the Viscom Group.

IFRIC 14 IAS 19 The Limitation of a Defined Benefit Asset, Minimum Financing Regulations and their Interaction: IFRIC interpretation 14 was published in July 2007 and must be applied no later than the beginning of the first financial year after 31 December 2008. This interpretation offers guidelines to determine the limit of the excess of a pension fund, which can be carried as a defined benefit asset in accordance with IAS 19 Employee Benefits. The application of IFRIC 14 will have no effect on the consolidated financial statements

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Standards and guidelines not endorsed by the EU for which early application was not elected:

IFRS 1 First-Time Adoption of International Financial Reporting Standards: The revised standard IFRS 1 was published in November 2008 and is to be applied for the first time in the reporting period beginning on or after 1 January 2009. Revisions to the standard are limited to editorial changes and restructuring of the standard. The revisions did not include any changes to the recognition and measurement regulations for the first-time adoption of IFRS.

IFRS 3 Business Combinations: The revised standard IFRS 3 was published in January 2008 and is to be applied for the first time in the reporting period beginning on or after 1 July 2009. The standard was subject to comprehensive revisions as part of an IASB and FASB convergence project. In particular, significant changes relate to the introduction of an accounting policy choice to measure non-controlling interests either at the proportionate share of net assets (so-called purchased goodwill method) or using the so-called full goodwill method under which the entire goodwill of the acquired company is recognised including the proportionate share applicable to the non-controlling interest. Other significant changes include the remeasurement of fair value through profit or loss of existing investments when control is first obtained (step acquisitions), mandatory accounting for contingent consideration on the acquisition date and the recognition of transactions costs in profit or loss. The transition guidelines call for prospective application of the new regulations. There are no changes affecting assets and liabilities resulting from business combinations prior to the initial application of the new standard.

IAS 27 Consolidated and Separate Financials Statements According to IFRS: The revised standard IAS 27 was published in January 2008 and is to be applied for the first time in the reporting period beginning on or after 1 July 2009. The changes primarily related to accounting for non-controlling interests which will fully participate in future losses of the entity and for transactions that lead to a loss of control over a subsidiary where the effects are to be included in profit or loss. On the other hand, the effects of disposals that do not lead to a loss of control must be included in equity without affecting profit or loss. The transition guidelines call for prospective application. As a result, there are no changes affecting assets and liabilities resulting from transactions prior to the initial application of the new standard. Since the Viscom Group does not have any non-controlling interests, the application of this standard has no effect on the consolidated financial statements.

Changes to IAS 39 – Eligible Hedged Items: The changes to IAS 39 were published in July 2008 and are to be applied retrospectively for the first time in the reporting period beginning on or after 1 July 2009. This amendment clarifies how the existing principles in IAS 39 underlying hedge accounting should be applied in the designation of a one-sided risk in a hedged item and in the designation of inflation risks in a hedged item. It clarifies that it is allowable to designate only a part of the change in fair value or the cash flow fluctuations of a financial instrument as a hedged item. Accounting for hedging instruments in the Viscom Group is not affected by these changes.

IFRIC 12 Service Concession Agreements governs the reporting of agreements in which a government or other public institution as licensors promise to supply contracts for the provision of public funds to private companies as licensees. For the fulfilment of its tasks the private company uses infrastructure which remains under public control. The private company is responsible for the construction, operation and maintenance measures with regard to the infrastructure. The regulations of IFRIC 12 are to be applied for financial years beginning on or after 1 January 2008. The interpretation had not yet been incorporated into European law. The initial application of IFRIC 12 will have no effect on the consolidated financial statements of the Viscom Group. The entities included in the consolidated financial statements are not concession operators in terms of IFRIC 12. As a result, this interpretation will have no effect on the Viscom Group.

IFRIC 15 Agreements for the Construction of Real Estate: IFRIC interpretation 15 was published in July 2008 and is to be applied for the first time in the reporting period beginning on or after 1 January 2009. This interpretation offers guidelines for the point in time and scope of the recognition of revenue from real estate construction projects. The Viscom Group is not involved in any such projects.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation: IFRIC interpretation 16 was published in July 2008 and is to be applied for the first time in the reporting period beginning on or after 1 October 2008. IFRIC 16 offers guidelines for the identification of foreign currency risks that can be hedged as part of the hedge for a net investment, for the determination of which subsidiaries can hold the hedging instruments to hedge the net investments, and for the calculation of the foreign currency gain or loss to be allocated from equity to profit or loss upon the disposition of the foreign operation. This interpretation is to be applied prospectively. The Viscom Group is currently examining which method shall be applied to determine the foreign currency gains and/or losses for reallocation.

IFRIC 17 Distribution of Non-Cash Assets to Owners: IFRIC interpretation 17 was published in November 2008 and is to be applied for the first time in the reporting period beginning on or after 1 July 2009. This interpretation provides guidelines for the recognition and measurement of obligations for the distribution of non-cash assets to owners. In particular, the interpretation clarifies the recognition, measurement and reporting of such obligations. Accordingly such an obligation must be recognised and measured at fair value when it is no longer at the discretion of the entity. Recognition of the obligation and possible changes in the fair value of the affected asset must be reported under equity. An effect on profit or loss in the amount of the difference between the fair value and book value of the asset only occurs when the asset is transferred to the owners. This interpretation is to be applied prospectively. Because of the applicable dividend distribution policies and the provisions of company law, this interpretation will have no effect on the Viscom Group.

IFRIC 18 Transfers of Assets from Customers: IFRIC interpretation 18 was published in January 2009 and is to be applied for the first time in the period under review beginning on or after 1 July 2009. This interpretation provides guidelines to account for agreements in which an entity receives from a customer an item of property, plant, and equipment or cash and cash equivalents that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services.

In particular, the interpretation clarifies the recognition criteria for assets transferred from customers as well as the timing and scope of revenue recognition for such business transactions. This interpretation is to be applied prospectively. IFRIC 18 will have no effects on the consolidated financial statements since the Viscom Group does not enter into these types of business transactions.

Principles underlying the preparation of the consolidated financial statements

The financial year is the calendar year. The IFRS consolidated financial statements are prepared in Euros. Figures are presented in thousands of Euros (€ thousand). In general, the consolidated financial statements were prepared on the basis of amortised historical cost.
The income statement was prepared in accordance with the total expenditure format.

Certain items in the income statement and the balance sheet have been combined for clarity of presentation; explanatory disclosures are contained in the notes. Pursuant to IAS 1, assets and liabilities carried on the balance sheet are classified as either current or noncurrent. Current assets or liabilities are those designated for disposal/redemption within a one-year time horizon.

Consolidation principles

The IFRS consolidated financial statements are based on the single entity financial statements of Viscom AG and the single entity financial statements of the subsidiaries as of 31 December 2008. The financial statements of the companies included in the consolidated financial statements are prepared on the basis of uniform accounting principles. Adjustments were made for differences in accounting standards as necessary. The single entity financial statements of the subsidiaries are prepared to the same reporting date as the consolidated financial statements.

All intercompany profits and losses, income and expenses as well as receivables and liabilities between the companies are eliminated.

Business combinations are recognised in accordance with the purchase method. Under this method, the identifiable assets (including intangible assets not previously recognised) and the liabilities (including contingent liabilities but excluding future restructuring) of the acquired operations are recognised at fair value.

Basis of consolidation

In addition to the parent company Viscom AG, Hanover, the following subsidiaries were included in the IFRS consolidated financial statements:

The consolidated financial statements include the subsidiaries in which Viscom AG directly or indirectly holds the majority of voting rights and over which it therefore exercises control. Subsidiaries are included in the consolidated financial statements when control is established and are deconsolidated when the conditions for control are no longer met.

Changes to the accounting and valuation principles

Changes to the accounting and valuation principles resulted from the application of the following new or revised standards:

International Accounting Standard (IAS) 39 Financial Instruments: Recognition and Measurement/IFRS 7 Financial Instruments: Disclosures: The IASB published changes to IAS 39 and IFRS 7 on 13 October 2008. These changes are in response to the financial market crisis and, in certain cases, allow an entity to reclassify specific financial instruments in the valuation category “Financial assets at fair value through profit or loss” and the valuation category “Available-for-sale financial assets” to other valuation categories. The changes to IFRS 7 specify additional note disclosures in case of reclassifications between valuation categories. The changes came into effect retroactively to 1 July 2008.

Since the Company did not engage in corresponding reclassification, the changes had no effect on the consolidated financial statements.

International Financial Reporting Interpretations Committee (IFRIC) 11 IFRS 2: Group and Treasury Share Transactions:

IFRIC 11 explains how IFRS 2 “Share-Based Payment” applies to share-based payment agreements involving the entity‘s own equity instruments or the equity instruments of a subsidiary. IFRIC 11 is to be applied for financial years beginning on or after 1 March 2007. The application of IFRIC 11 had no effect on the consolidated financial statements.

Otherwise, the applied accounting and valuation principles correspond to those applied in the previous year.

Significant arbitrary decisions, estimates and assumptions

The preparation of the 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.

Name	Domicile	Equity interest	Date of initial control
Viscom France SARL	Cergy Pontoise Cedex, France	100 %	2001
Viscom Machine Vision Pte Ltd.	Singapore, Singapore	100 %	2001
Viscom Inc.	Atlanta, Georgia, USA	100 %	2001
Viscom Machine Vision Trading Co. Ltd.	Shanghai, China	100 %	2007

Trade receivables

With trade receivables, the default risk is estimated using the respective level of knowledge, delinquency in particular. Despite there being trade receivables owed by customers from the automotive industry, no increased receivable default risk is evident at present.

Inventories

Inventories are subject to assumptions regarding the depreciation parameters, for example, the scope and measurement of the degree of completion.

Provisions

With provisions, especially provisions for warranty and repair expenses, variations from the actual expenses subsequently paid for warranty and repair expenses may occur as the provisions are based on reliable past information. In this case, the warranty or repair expense is qualified for each system installed and used as a measurement standard for systems that are still under warranty or repair at the turn of the year

Impairment of non-financial assets

At every reporting date the Group determines whether there are indications of an impairment of non-financial assets. Goodwill and other intangible assets with an indefinite useful life are reviewed at least once a year and also if there are indications of an impairment. Other non-financial assets are subject to an impairment test, if there are signs that the carrying amount exceeds the recoverable amount.

For estimating the value in use, the Group determines, on the basis of estimates, the projected future cash flows associated with the asset or the relevant cash-generating unit, as well as selecting an appropriate discount rate to determine the present value of the aforementioned cash flows. In accordance with IAS 36, a cash generating unit is the perceived smallest group of assets that generates cash flows from continuous use, which is largely independent of those of other units.

Summary of significant accounting policies

Intangible assets

Intangible assets are carried at cost. These are recognised if it is probable that the future economic benefits attributable to the asset will flow to the Company and the acquisition or manufacturing costs of the asset can be measured reliably. The costs of intangible assets acquired as part of a business combination correspond to their fair value at the time of acquisition. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful life. Amortisation periods and methods are reviewed on an annual basis at the end of each financial year. The amortisation of intangible assets is reported under depreciation and amortisation in the income statement.

Gains and losses from derecognising intangible assets are calculated as the difference between the proceeds from the sale of an asset at fair value less costs to sell and the carrying amount, and are recognised during the period in which the asset is written off.

Goodwill from business combinations is initially carried at cost, which is calculated as the excess of the cost including incidental costs of acquisition of the business combination over the fair value of the acquirer's share of the identifiable assets, liabilities and contingent liabilities of the acquired operations. After initial recognition, goodwill is carried at cost less any accumulated impairment losses.

In accordance with IAS 38, research costs may not be capitalised, and development costs may only be capitalised when certain precisely defined conditions are met. Development costs must always be capitalised when it is sufficiently certain that the respective development activity will result in future economic benefits that will cover regular overheads and the corresponding development costs. In addition, various criteria relating to the development project and the product or process being developed must all be met. Viscom does not fulfil all these criteria. Among other things, the obligatory documentation requirements which are necessary for capitalisation are not met. As a result, development costs are not capitalised.

Viscom has five submitted patents. With the exception of registering a patent in Taiwan, none of these patents were issued as of 31 December 2008.

Property, plant and equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and accumulated impairment losses. Gains and losses from writing off property, plant and equipment are calculated as the difference between the proceeds from the sale of an asset at fair value less costs to sell and the carrying amount of the asset, and are recognised during the period in which the asset is written off.

The cost of acquisition of an item of property, plant and equipment is composed of the purchase price, including import duties and non-refundable purchase taxes, as well as any directly attributable costs of preparing the respective asset for use as intended by the Company's management and transporting it to its intended location.

The cost of manufacture of an item of property, plant and equipment is composed of the cost of the goods and services used in manufacturing the respective asset. This includes direct costs as well as an appropriate proportion of the fixed and variable overheads.

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised should be added to the carrying amount of the respective asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. All other subsequent expenditure should be recognised as an expense in the period in which it is incurred.

The useful lives, depreciation methods and net carrying amounts are reviewed in each period. This is necessary to ensure that the depreciation methods and periods correspond to the expected economic benefits from the respective items of property, plant and equipment.

Assets under development are allocated to property, plant and equipment and carried at cost. They are depreciated from the date on which they are brought to their working condition.

Impairment of assets

Property, plant and equipment and intangible assets with an indefinite useful life are tested for impairment whenever changes or events take place that indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognised when the carrying amount of an item of property, plant and equipment or an intangible asset that is carried at cost exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use.

An asset's fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction, less the costs of disposal. Its value in use is the present value of the estimated future cash flow expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The recoverable amount is determined for each individual asset or, where this is not possible, for the cash-generating unit to which the respective asset belongs.

If there is an indication that an impairment loss no longer exists or has decreased, the respective impairment loss is tested and measured, and any amount reversed as a result is recognised in income.

An impairment test for individual assets or cash generating units is carried out once a year on intangible assets with an indefinite useful life.

The impairment calculations carried out this year did not lead to an impairment test. The changes made to measurement parameters such as EBIT or interest rate are based on sound business judgement and also did not lead to an impairment risk.

Financial investments and other financial assets and liabilities

Financial instruments (financial assets and financial liabilities) according IAS 32 and IAS 39 include financial assets held up to the final maturity, available-for-sale financial assets, financial assets and liabilities recognised in income and at fair value (including assets classified for trading purposes), granted loans and receivables as well as other financial liabilities.

On initial recognition, these financial assets and liabilities are carried at cost, which corresponds to the fair value of the consideration paid or received. Financial instruments are recognised at the trade date. Subsequent measurement varies depending on the category of financial asset or liability and is described under the accounting methods for the respective item. Gains and losses due to changes in the fair value of financial instruments are recognised in income.

The exception is gains and losses due to changes in the fair value of available-for-sale financial assets excluding receivables which are reported as a separate component of shareholders' equity.

Financial assets are derecognised when the Company loses control of the contractual rights underlying the respective asset. Financial liabilities are derecognised when the corresponding contractual obligations are met, cancelled or they expire.

Liabilities are carried at their settlement amount. Foreign-currency items are translated at the middle rate prevailing at the reporting date. Liabilities will not be deducted due to the anticipated discounting effect not being significant.

During the first quarter of 2008, Viscom purchased units in a Luxemburg Part II investment fund initially totalling € 14,716 thousand. The investment strategy of the fund is focussed on gaining interest based on the capital market and achieving an attractive post-tax return by applying various listed securities (securities and shares bearing fixed interest rates) while simultaneously offering complete flexibility. Applying derivates may result on the one hand in an increase in income and on the other hand serve as collateral.

On initial recognition, these fund units and liabilities were carried at cost, which corresponds to the fair value of the consideration paid net of transaction costs. In subsequent evaluation they were measured in accordance with IAS 39 by calculating their fair value on a daily basis using the underlying asset portfolio determined by the bank in the active market, with gains and losses recognised in the period in which they occur. As the fund units are classified as available-for-sale financial instruments, any changes in fair value are taken directly to equity.

In addition to the general risks attributable to tax optimised investments, the fund is exposed to the interest rate and counterparty default risks relating to the conclusion of derivatives.

In accordance with Section 8b (2) of the German Corporate Income Tax (KStG), a further money market fund with a volume of originally € 15,013 thousand allowed virtually tax-free income to be generated based on the difference between the spot rates and forward rates of equities. The stock market risk is largely hedged in a timely manner by using derivatives.
The fund is exposed to the interest rate and counterparty default risks relating to the conclusion of derivatives.

As of the reporting date of 31 December 2008, the Company no longer held fund units.

As the Group operates internationally, it is subject to market risks arising from changes in exchange rates. In the 2008 financial year, the Group employed one derivative financial instrument for reducing these risks. It related to a US dollar option that was compensated with a payment for an option premium. At the reporting date of 31 December 2008, the Company had no derivative financial instruments.

Interest-bearing loans are initially carried at cost less issuing costs. After initial recognition, interest-bearing loans are measured at amortised cost in accordance with the effective interest method.

Inventories

In accordance with IAS 2, inventories are assets that are held for sale in the ordinary course of business (completed systems), that are in the process of production for such sale (assemblies and partially completed systems), or that are held for consumption in the production process or in the rendering of services (raw materials and supplies). Inventories are measured at the lower of cost as calculated using the weighted average method and fair value less costs to sell, i.e. the selling price of the respective inventory item in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
An asset's fair value less costs to sell is the estimated recoverable proceeds in the ordinary course of business less the estimated costs up to completion and estimated selling expenses. When determining the asset's fair value less costs to sell, a discount for obsolescence is made, taking volume deductions into account.

Raw materials and supplies, which are intended for production, are written off completely if in the warehouse for more than a year (slow mover measurement). Inventory coverage is calculated based on historic sales in the previous year. Completed and partially completed systems are subject to an impairment test after one year and are then also depreciated as and when required.

Trade receivables/other receivables and assets

Trade receivables are carried at their nominal invoice amount and remeasured at subsequent reporting dates less any allowances for uncollectability. Estimates of uncollectable amounts are performed when it is no longer likely that the respective invoice will be settled in full. Foreign currency items are translated at the middle rate prevailing at the reporting date.

Construction contracts

Construction contracts are recognised in accordance with IAS 11 when the respective contract is a customer-specific contract, the total contract revenue can be measured reliably, it is probable that the economic benefits associated with the contract will flow to the Company, and the costs to complete the contract and the stage of contract completion can be measured reliably. If these conditions are met, the revenue and costs associated with the contract are recognised in the balance sheet by reference to the stage of completion at the reporting date. The stage of completion is determined as the ratio of the contract costs incurred to date to the total contract costs. Payments for variations in the scope of the work to be performed under the contract, claims relating to price calculations and costs not included in the contract price are recognised to the extent agreed with the customer.

If the outcome of a manufacturing contract cannot be reliably estimated, revenue is only recognised to the extent of the contract costs incurred that are likely to be recoverable. Contract costs are recognised as an expense in the period in which they are incurred.

If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Cash and cash equivalents

Cash and cash equivalents are recognised at their nominal amount.

Shareholders' equity

Subscribed capital is carried at its nominal amount. Reserves and retained earnings are recognised in accordance with the provisions of law and the Articles of Association, and are carried at their nominal amount.

Own shares

During the period 29 July to 31 December 2008, Viscom AG bought back 124,922 of its own shares. This corresponds to around 1.4 % of share capital. The purchase of own shares is recognised directly in equity and reduces equity. The amount was deducted in a lump sum from capital reserves. The shares were acquired at an average price of € 4.47 per share. The buy-back provides currency for potential acquisitions. Pursuant to Section 71b of the German Stock Corporation Act (AktG), shares held directly or indirectly by Viscom AG have no dividends.

Provisions

Provisions are recognised when the Company has a present obligation to a third party as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

If a risk for which a provision has been recognised is expected to be covered by reimbursements (e.g. under insurance contracts), the reimbursement should be recognised as a separate asset to the extent that it is sufficiently probable that it will be received. The expense relating to the provision is recognised in the income statement net of the amount recognised for the reimbursement.

Significant provisions are recognised for warranty and repair expenses. In this case, the warranty or repair expense is qualified for each system installed and used as a measurement standard for systems that are still under warranty or repair at the turn of the year.

Liabilities will not be deducted due to the anticipated discounting effect not being significant.

Taxes

In accordance with IAS 12, deferred taxes are determined using the balance sheet liability method for temporary differences between the tax base of an asset or liability and its carrying amount in the IFRS balance sheet, temporary differences resulting from consolidation processes, and utilisable tax loss carryforwards. This is based on the tax rates that are expected to have been enacted or substantively enacted in the respective countries by the realisation date. These are based on the statutory regulations valid or adopted at the reporting date.

The carrying amount of deferred tax receivables is reviewed at each reporting date and the expected tax benefit adjusted accordingly.

Deferred taxes attributable to items accounted for directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset if the Group has an enforceable right to offset current tax assets and current tax liabilities and if they relate to the income taxes of the same taxable entity, imposed by the same taxation authority.

Revenue, expenses and assets are reported net of value added tax unless the respective tax is non-deductible. Receivables and liabilities are reported including value added tax. The net value added tax payable or receivable is reported in the balance sheet as a receivable or a liability.

Leases

In the case of finance leases, under which substantially all the risks and rewards incident to ownership of an asset are transferred to the Company, the leased asset is recognised at fair value or, if lower, the present value of the minimum lease payments. No finance leases were recognised in Viscom's consolidated financial statements as of 31 December 2008.

If the lessor bears substantially all the risks and rewards incident to the leased asset, the respective lease is treated as an operating lease. Payments under operating leases are expensed. Viscom only makes operating lease transactions.

Revenue

Revenue is recognised when it is probable that the corresponding economic benefit will flow to the Company and the benefit can be measured reliably.

Revenue is recognised when significantly all the risks and rewards incident to ownership of the respective asset are transferred to the purchaser.

Revenue generated under construction contracts is recognised in accordance with the respective contractual agreement and the stage of contract completion. Further information can also be found in the explanatory notes on accounting for construction contracts.

Revenue is recognised depending on the stage of completion of the respective transaction at the reporting date, providing that the outcome of the service can be measured reliably.

Borrowing costs

Borrowing costs are not capitalised, but instead are expensed in the period in which they are incurred.

Interest

Interest is recognised on the basis of the effective interest on the respective assets and liabilities in interest income.

Dividends

Dividends are recognised when the bearer has obtained the right to receive payment.

Rentals

Income from rentals of assets is recognised on a straight-line basis over the term of the rental agreement in accordance with the conditions of the agreement.

Currency translation

Transactions in foreign currencies and the annual financial statements of foreign Group companies are translated into euros in accordance with the functional currency concept (IAS 21).

The assets and liabilities of foreign Group companies are translated at the closing date exchange rate, while their income and expenses are translated at the average exchange rate. The shareholders' equity of the subsidiaries is translated at historic rates.

Differences between these exchange rates and the exchange rates at the closing date are reported in shareholders' equity as a separate item under "Exchange differences".

Translation differences from foreign-currency transactions are recognised in profit or loss under "Other operating income" or "Other operating expenses" respectively.

Significant translation exchange rates in the financial year are as follows:

Translation exchange rates 2008

	1 SGD = x CNY	1 EUR = x SGD	1 EUR = x USD
Closing date exchange rate	4.7383	2.0040	1.3917
Average exchange rate	4.9242	2.0762	1.4708

Notes to the Income Statement

Notes to the Income Statement

(G1) Revenue

The Company's revenue can be broken down as follows:

Breakdown of revenue	2008 K€	2007 K€
Construction and delivery of machines	41,731	44,412
Services/replacement parts	7,425	6,055
Rentals	759	1,519
Total	**49,915**	**51,986**

(G2) Other operating income

Other operating income is composed of the following items:

Breakdown of other operating income	2008 K€	2007 K€
Income from the release of other provisions	1,290	59
Income from exchange rate differences	695	332
Warranty/repair expenses	384	0
Non-monetary remuneration	334	277
Decrease in the revenue-dependent purchase price commitment from the company acquisition	273	0
Income from receivables previously written off	18	158
Insurance recoveries	16	24
Miscellaneous other operating income	145	345
Total	**3,155**	**1,195**

In the third quarter 2008, the Company received a statement from its patent agent on potential patent infringements that may have occurred. This statement revealed that the risk of a claim from patent infringements is improbable and therefore the provision recognised in the previous year was no longer justified. The item for patent infringements and legal costs amounting to € 1,290 thousand was therefore released completely at the end of the third quarter 2008 and recorded in income from the release of provisions.

Non-monetary remuneration, which has a corresponding offsetting item in staff costs, stems from taxing cash value benefits e.g. using private company cars.

(G3) Changes in finished goods and work in progress

Changes in finished goods and work in progress include the inventory-based manufacturing costs for finished and partially completed machines. The net value of this machinery and assemblies is € 12,905 thousand (previous year: € 13,912 thousand), with cost amounting to € 19,042 thousand (previous year: € 18,336 thousand) and related value adjustment totalling € 6,137 thousand (previous year: € 4,424 thousand).

(G4) Cost of materials

The cost of materials can be broken down into the cost of purchased materials and purchased services:

Cost of materials	2008 K€	2007 K€
Materials including incidental costs of acquisition	19,445	21,661
Purchased services	562	446
Total	**20,007**	**22,107**

The material usage ratio, taking changes in inventory to completed and partially completed systems into account, is significantly influenced by additional expenses from replacing the previous model of the X7056RS. In addition, lower margins, particularly in Asia, led to an increase in the material usage ratio.

(G5) Staff costs

Staff costs comprise salaries and employer social security contributions:

Staff costs	2008 K€	2007 K€
Wages and salaries, incl. bonuses and management bonuses	17,662	16,009
Social security contributions	3,072	2,763
Total	**20,689**	**18,772**
Number of employees (average for the year)	402	364
Number of trainees (average for the year)	14	14
Total	**416**	**378**

In the period under review, payments for contribution-defined pension plans totalling € 1,425 thousand (previous year: € 1,350 thousand) were made.

(G6) Depreciation and amortisation expense

Information on depreciation and amortisation expense can be found in the explanatory notes to A6 in the balance sheet assets.

(G7) Other operating expenses

Other operating expenses can be broken down as follows:

Other operating expenses	2008 K€	2007 K€
Administrative expenses and overheads	3,196	2,690
Travel expenses	2,698	2,576
Selling expenses	1,878	3,009
Rents/leases	1,734	1,558
Outgoing shipments	778	734
Warranty/repair expenses	561	-16
Expenses due to exchange rate differences	546	408
Value adjustments on receivables and losses on receivables	517	111
Total	**11,908**	**11,070**

Selling expenses decreased by € 1,131 thousand compared to the previous year. This was due to a drop in commission payments to agents, amongst other things. Administrative expenses and overheads increased as a result of higher maintenance expenses and recruitment costs, among other things.

(G8) Financial result

The financial result consists of the total of the interest paid and received. Due to the reduced financial investment up to October 2008 and a change in the form of investment, which primarily has a tax-optimising effect, the financial result amounted to € 314 thousand (previous year: € 1,006 thousand). The tax-optimising benefits will only take effect in the future.

(G9) Taxes on income

Taxes on income for the financial years ending 31 December 2008 and 2007 contain the following income and expense items:

Taxes on income	2008 K€	2007 K€
Taxes on income for the past financial year	131	1,868
Taxes on income from previous years	495	0
Deferred taxes on income from the accrual and reversal of temporary differences	-191	61
Income tax expense reported in the consolidated income statement	**435**	**1,929**

Taxes on income for the past financial year relate exclusively to foreign subsidiaries.

The income tax expense for the previous year totalling € 630 thousand is primarily attributable to additional taxes from the nearly completed audit of Viscom AG for the tax assessment periods 2002 to 2005, as well as the resultant effects of this audit on the financial years 2006 and 2007. In contrast, a loss carryback from 2008 to 2007 led to a tax income of € 135 thousand. The distribution of dividends to shareholders did not affect income taxes at the level of Viscom AG.

No deferred taxes were capitalised for the existing loss carryforwards as of 31 December 2008 (Corporate income tax: € 5,953 thousand, trade tax: € 6,243 thousand). There is no legal time limit for using these tax loss carryforwards.

Equally, no deferred taxes were recognised for retained profits amounting to € 2,191 thousand (previous year: € 2,399 thousand) from foreign subsidiaries, as there are currently no plans to distribute these profits to the parent company or sell the subsidiaries. If deferred taxes were recognised for these temporal differences, their measurement would have to take just 5 % of potential dividends plus possible foreign withholding tax into account due to the statutory regulation in section 8b Corporation Tax Law. The following table contains a reconciliation of the expected tax expense arising from the application of a weighted average tax rate for Viscom to the consolidated pre-tax net profit for the period and the effective income tax expense for the Group for the 2008 and 2007 financial years. The change in the tax rate is due to changes in the weighting of the tax rates of individual Group companies, among other things.

Income from the subsequent recognition of deferred tax assets stemmed from tax-related additional capitalisations in the area of inventories for 2006 and 2007 as a result of the nearly completed audit. Non-deductable expenses largely consist of trade tax additions according to section 8 (1) Trade Tax Act and expenses in line with section 8b (3) Corporate Income Tax Act. As the local tax rates for individual companies have not changed, no effects from tax rate changes were recorded.

Reconciliation of income tax expense	**2008 K€**	**2007 K€**
Consolidated net profit before taxes	-1,272	5,488
Anticipated tax income / expenses (average Group tax rate 2008: 29.16 %; previous year: 38.2 %)	-371	2,096
Difference to average Group tax rate	-59	-62
Non-capitalised deferred taxes on tax loss carryforwards	288	0
Tax income / expenses for other accounting periods in previous years	630	-37
Loss carryback from 2008 to 2007	-135	0
Recognition of deferred tax assets for other accounting periods	-41	0
Non-deductible expenses	110	21
Effect of changes in tax rates	0	80
Effect of imputable foreign withholding tax	0	-111
Miscellaneous	13	-58
Current tax expense -34.2 % (previous year: 35.1 %)	**435**	**1,929**

Deferred tax liabilities	Consolidated balance sheet		Consolidated income statement	
	2008 K€	2007 K€	2008 K€	2007 K€
Intangible fixed assets	21	27	6	-27
Measurement of property, plant and equipment	0	30	30	-30
Construction contract receivables	252	131	-121	-93
Measurement of trade receivables	20	0	-20	11
Measurement of provisions	0	2	2	10
	293	**190**	**-103**	**-129**

Deferred tax assets	Consolidated balance sheet		Consolidated income statement	
	2008 K€	2007 K€	2008 K€	2007 K€
Goodwill	20	26	-6	26
Measurement of property, plant and equipment	18	0	18	-39
Inventories	772	48	724	28
Measurement of trade receivables	45	0	45	0
Measurement of provisions	220	596	-376	19
Deferred taxes from elimination of intercompany profits	31	31	0	31
Currency translation gains/losses	1	112	-111	4
Other receivables and assets	0	0	0	-1
	1,107	**813**	**294**	**68**
Total	**814**	**623**	**191**	**-61**

Deferred tax assets and liabilities were balanced on a company by company basis. For the backlog of deferred tax assets over deferred tax liabilities on a level of the individually affected company, the recoverability of the backlog of deferred tax assets was estimated as sufficiently safe based on the current income situation and the Company budget. All changes to deferred taxes in 2008 were, similar to the previous year, recorded in income.

(G10) Earnings per share

The share buy-back programme (124,922 shares) reduced the number of dividend-bearing shares from 9,020,000 shares to 8,895,078 shares as of 31 December 2008. The bought back shares are not dividend-bearing shares and have no dividends. Therefore they are not included in the calculation of earnings per share for the 2008 financial year. That is why the earnings calculation per share for 2008 was based on fewer shares.

On the basis of 8,979,542 shares as an average for the year, earnings per share for the 2008 financial year amounted to € -0.19 (diluted and undiluted). In the previous year, earnings per share amounted to € 0.39, calculated on the basis of 9,020,000 shares. Earnings based on the calculation (diluted and undiluted) totalled € -1,707 thousand (previous year: € 3,559 thousand).

Notes to the Balance Sheet (Assets)

(A1) Total cash and cash equivalents

Cash and cash equivalents consist of cash in hand and bank balances totalling € 26,254 thousand (previous year: € 27,726 thousand). This relates to items with a maturity of less than three months at the end of the year.

(A2) Trade receivables

Trade receivables are generally due within 30-90 days.

All of the Company's trade receivables are short-term in nature, meaning that they are not exposed to interest rate risk. The carrying amounts of other receivables and assets constitute a reasonable approximation of their fair value.

Doubtful receivables, which were written off in full, amounted to € 20 thousand (previous year: € 193 thousand). Receivables amounting to € 307 thousand (previous year: € 0 thousand) were also written off. In addition, a blanket write-down amounting to € 383 thousand (previous year: € 0 thousand) was made. Value adjustments recognised in income increased by € 517 thousand in the 2008 financial year (previous year: € 174 thousand). In 2008, customers generally met their payment obligations after the agreed period had expired. Interest on receivables and liabilities were neither capitalised nor carried as a liability. There were payments of € 18 thousand (previous year: € 158 thousand) for receivables written off and derecognised.

Construction contracts

Changes in the gross amount due from customers from contract work:

If the outcome of a construction contract can be estimated reliably, the contract revenue recorded in the period under review is calculated on the basis of the expected total contract revenue and the stage of completion. The stage of completion is determined as the ratio of the contract costs incurred to date to the expected total contract costs.

Total due from customers for contract work	**2008 K€**	**2007 K€**
Contract revenue recognised in the period under review	381	313
Contract costs	155	216
plus profits recognised to date	0	161
Total due from customers for contract work	**226**	**258**

(A3) Current income tax assets

Current income tax assets comprise a claim for corporate tax and trade tax reimbursement by Viscom AG in the amount of € 3,993 thousand due to excessive pre-payments for the 2007 and 2008 assessment periods.

(A4) Inventories

Inventories	2008 K€	2007 K€
Raw materials and supplies	5,128	5,596
Assemblies and partially completed systems	6,957	8,475
Completed systems	5,948	5,437
Total	**18,033**	**19,508**

The completed systems reported in inventories relate to rental and demonstration machines as well as inspection systems ready for sale. All systems are subject to an impairment test every year and value adjusted if required. Assemblies and partially completed systems include pre-produced modules and machines that have already been assembled, as well as units currently under construction (work in process). An increase of inventoried completed systems was implemented in order to allow short-term customer orders to be met and to satisfy the application centres' demand for new machines as quickly as possible.

The accumulated write-off for raw materials and supplies at year-end amounts to € 2,512 thousand (previous year: € 2,823 thousand), € 1,226 thousand (previous year: € 1,095 thousand) for partially completed systems and assemblies, and € 4,942 thousand (previous year: € 3,329 thousand) for completed systems.

(A5) Other receivables and assets

Other receivables and assets	2008 K€	2007 K€
Security deposits for leases	93	132
Creditors with debit balances	58	34
Subtotal of other financial receivables	**151**	**166**
Advance payments	343	149
Other receivables	228	240
Deductible input tax (Spain)	10	24
Miscellaneous assets	177	180
Other assets	**758**	**593**
Total	**909**	**759**

In contrast to the previous year, advance payments were reclassified from other financial receivable into other assets, as they had changed in their nature.

(A6–A8) Property, plant and equipment/intangible assets

Intangible assets	Patents and similar rights and assets K€	Software K€	Goodwill K€	Advanced payments for intangible assets K€	Total intangible assets K€
Net carrying amount as of 1 Jan. 2008	**2,211**	**195**	**15**	**319**	**2,740**
Additions	0	82	0	310	392
Disposals	0	194	0	0	194
Depreciation/amortisation of disposals	0	-184	0	0	-184
Depreciation/amortisation for the current year	221	132	0	0	353
Exchange differences	0	2	0	0	2
Net carrying amount as of 31 Dec. 2008	**1,990**	**137**	**15**	**629**	**2,771**
01.01.2008					
Cost	2,288	950	15	319	3,572
Accumulated depreciation/amortisation	78	754	0	0	832
Net carrying amount	**2,210**	**196**	**15**	**319**	**2,740**
31.12.2008					
Cost	2,288	837	15	629	3,769
Accumulated depreciation/amortisation	298	700	0	0	998
Net carrying amount	**1,990**	**137**	**15**	**629**	**2,771**

Property, plant and equipment	Lease-hold improve-ments K€	Technical equipment and machi-nery K€	Operating and office equipment K€	Vehicles K€	Total property, plant and equipment K€	Total property, plant and equipment and intangible assets K€
Net carrying amount as of 1 Jan. 2008	**609**	**317**	**1,050**	**206**	**2,182**	**4,922**
Additions	55	34	370	33	492	884
Disposals	15	1	531	178	725	919
Depreciation/amortisation of disposals	0	-1	-485	-178	-664	-848
Depreciation/amortisation for the current year	151	83	398	60	692	1,045
Exchange differences	8	0	4	7	19	21
Net carrying amount as of 31 Dec. 2008	**506**	**268**	**980**	**186**	**1,940**	**4,711**
01.01.2008						
Cost	1,200	877	2,737	593	5,407	8,979
Accumulated depreciation/amortisation	591	560	1,687	387	3,225	4,057
Net carrying amount	**609**	**317**	**1,050**	**206**	**2,182**	**4,922**
31.12.2008						
Cost	1,239	911	2,576	449	5,175	8,944
Accumulated depreciation/amortisation	733	643	1,596	263	3,235	4,233
Net carrying amount	**506**	**268**	**980**	**186**	**1,940**	**4,711**

Intangible assets	Patents and similar rights and assets K€	Software K€	Goodwill K€	Advanced payments for intangible assets K€	Total intangible assets K€
Net carrying amount as of 1 Jan. 2007	**0**	**139**	**0**	**0**	**139**
Additions	0	125	0	319	444
Additions through business combinations	2,288	20	15	0	2,323
Depreciation/amortisation for the current year	77	89	0	0	166
Net carrying amount as of 31 Dec. 2007	**2,211**	**195**	**15**	**319**	**2,740**
01.01.2007					
Cost	0	804	0	0	804
Accumulated depreciation/amortisation	0	665	0	0	665
Net carrying amount	**0**	**139**	**0**	**0**	**139**
31.12.2007					
Cost	2,288	949	15	319	3,571
Accumulated depreciation/amortisation	77	754	0	0	831
Net carrying amount	**2,211**	**195**	**15**	**319**	**2,740**

Property, plant and equipment	Lease-hold improve-ments K€	Technical equipment and machi-nery K€	Operating and office equipment K€	Vehicles K€	Total property, plant and equipment K€	Total proper-ty, plant and equipment and intangible assets K€
Net carrying amount as of 1 Jan. 2007	**646**	**321**	**902**	**273**	**2,142**	**2,281**
Additions	134	63	591	107	895	1,339
Additions through business combinations	0	28	3	0	31	2,354
Disposals	0	0	16	381	397	397
Depreciation/amortisation of disposals	0	0	-12	-306	-318	-318
Depreciation/amortisation for the current year	152	95	433	91	771	937
Exchange differences	-19	0	-9	-8	-36	-36
Net carrying amount as of 31 Dec. 2007	**609**	**317**	**1,050**	**206**	**2,182**	**4,922**
01.01.2007						
Cost	1,101	786	2,315	890	5,092	5,896
Accumulated depreciation/amortisation	455	465	1,413	617	2,950	3,615
Net carrying amount	**646**	**321**	**902**	**273**	**2,142**	**2,281**
31.12.2007						
Cost	1,225	877	2,754	606	5,462	9,033
Accumulated depreciation/amortisation	616	560	1,704	400	3,280	4,111
Net carrying amount	**609**	**317**	**1,050**	**206**	**2,182**	**4,922**

As in the 2007 financial year, there was no unscheduled amortisation in the 2008 financial year.

Amortisation and depreciation is calculated on a straight-line basis over the following estimated useful lives:

	Years
Leasehold improvements	2–14
Technical equipment and machinery	2–13
Other equipment, operating and office equipment	8–20
Vehicles	5–8
Software	1–6
Patents	12
Expertise / customer base	3–5

Intangible assets and property, plant and equipment include written-off assets which are still in use and carried at cost totalling € 1,304 thousand (previous year: € 1,911 thousand).

The remaining useful life of important immaterial assets (patents) is 10.75 years.

No development costs were recognised in the period under review, as at the present time the documentation requirements have not been met and the exact amount of the development costs attributable to individual development projects cannot be measured reliably. Total research and development costs amounted to € 5,090 thousand as in the previous year

(A7) Goodwill

Goodwill of € 15 thousand, derived as residual from the purchase of the MX product family, was subject to an impairment test in the 2008 financial year. Value in use is calculated using the DCF method (Discounted Cash Flow) taking WACC (Weighted Average Cost of Capital) into consideration as a discount factor. The input tax employed WACC amounted to 11.85 %. Growth assumptions were not used as the basis, instead the calculation is based on a detailed planning period of four years. No impairment test was carried out. Goodwill is attributed to the semiconductor inspection systems segment in segment reporting.

(A9) Loans and securities for rent granted by the Company

This item contains loans issued to employees for no specific purpose and security for rented properties.

The loans were recognised at amortised cost, totalling € 63 thousand. The interest rate for employee loans in excess of € 2.5 thousand was between 5 % and 5.5 %. The fixed interest rate means that a certain degree of interest rate risk does exist. However, this risk is classified as immaterial and is not hedged.

(A10) Deferred tax assets

A breakdown of this item is provided as part of the explanatory notes on the income statement tax items under G9.

Notes to the Shareholders�What Equity and Liabilities

Notes to the Shareholders‘ Equity and Liabilities

(P1) Trade payables

Trade payables are carried at amortised cost. Invoices are generally settled on a twice-weekly basis and within the agreed payment period. Early settlement discounts are applied wherever possible. All of the Company's trade payables are short-term in nature.

(P2) Payables to affiliated companies

There were no payables to affiliated companies at the end of the year (previous year: € 28 thousand).

(P3) Advanced payments received

This item relates to advanced payments from customers, which are carried at amortised cost.

(P4) Provisions

Provisions relate primarily to provisions for expected warranty and repair expenses. Warranty provisions are calculated on the basis of the number of warranty months remaining for the respective projects and the average service expense per warranty month. This item also contains provisions for the delivery of replacement parts within the warranty period. The provisions for warranty and repair expenses have changed only slightly year-on-year.

During the third quarter of 2008, the Executive Board obtained a legal opinion from the patent attorney it had engaged regarding potential patent infringements. This legal opinion asserts that the risk of a claim resulting from patent infringements appears unlikely and therefore the provision made for it is no longer warranted. The item patent infringements and legal costs amounting to € 1,290 thousand were therefore released completely at the end of the third quarter of 2008.

At Viscom USA, USD 615 thousand (€ 424 thousand, previous year: € 418 thousand) was retained for a potential reimbursement to a bankrupt customer in the US. The increase in this amount during the year resulted from the changed exchange rate translation. The amount was allocated to other liabilities, as it changed in its nature.

Breakdown of other provisions	**01.01.2008 K€**	**Additions K€**	**Dissolution K€**	**Utilisation K€**	**Accumulation K€**	**31.12.2008 K€**
Current provisions						
Provisions for warranty and repair expenses	2,124	925	0	846	0	2,203
Provisions for litigation risks	1,260	30	1,290	0	0	0
Provisions for reimbursement payments	418	24	0	0	0	442
Total current provisions	**3,802**	**979**	**1,290**	**846**	**0**	**2,645**
Noncurrent provisions						
Anniversary provisions	159	9	0	14	7	161
Warranty provisions	0	98	0	0	6	104
Total noncurrent provisions	**159**	**107**	**0**	**14**	**13**	**265**
Total	**3,961**	**1,086**	**1,290**	**860**	**13**	**2,910**

A claim is anticipated for current provisions within the next twelve months.

Anniversary provisions amounting to € 161 thousand (previous year: € 159 thousand) and the noncurrent component in warranty provisions totalling € 104 thousand (previous year: € 0 thousand) were allocated to noncurrent provisions. A claim is anticipated for warranty provisions within twelve to 36 months and for the anniversary provision within twelve to 300 months.

(P5) Current income tax liabilities

Viscom AG have recognised current income tax liabilities primarily as determined by the audit for the years 2000 to 2005.

(P6) Other current liabilities

Other current liabilities are composed of the following items:

Other current liabilities	2008 K€	2007 K€
Commission payments to agents	797	828
Management bonuses, incentives, one-time payments	341	291
Outstanding purchase invoices	291	872
Social security	253	267
Anticipated revenue-dependent purchase price component from the company acquisition	97	322
Supervisory Board	45	45
Subtotal of financial liabilities	**1,824**	**2,625**
Holiday, overtime	936	976
Taxes	467	505
Miscellaneous	356	279
Subtotal of other current liabilities	**1,759**	**1,760**
Total	**3,583**	**4,385**

The item other liabilities includes current liabilities in the form of unpaid bonuses to employees, commission payments for which agents are already eligible but are only due on receiving customer payment or outstanding invoices, this refers to goods that are already delivered and recorded in accounting but the accompanying invoice was still not presented at the turn of the year. Liabilities for bonuses are higher than in the previous year as one-off bonuses had to be accrued in subsidiaries for the first time.

The item other current liabilities includes in particular taxes still to be paid as well as provisions to be recognised for potential holiday and overtime hour payments.

The amount for a potential reimbursement to a bankrupt customer in the US amounting to USD 615 thousand (€ 424 thousand, previous year: € 418 thousand) was allocated to other liabilities and reclassified to provisions as of 31 December 2008, as it changed in its nature.

(P7) Other noncurrent liabilities

Other noncurrent liabilities contain the noncurrent revenue-dependent purchase price component from the acquisition of the MX product family totalling € 268 thousand (previous year: € 370 thousand).

(P8 to P11) Shareholders' equity and reserves

The reported share capital of the parent company Viscom AG in the amount of € 9,020,000.00 (previous year: € 9,020,000.00), divided into 9,020,000 shares, is fully paid up. The 9,020,000 shares are no-par value bearer shares with a notional interest in the share capital of € 1.00 per share. In the course of 2006, the share capital, which was divided into 67,200 shares on 1 January 2006, was increased by 6,652,800 shares (€ 6,653 thousand) by way of a capital increase from retained earnings and by a further 2,300,000 shares (€ 2,300 thousand) through the issue of new shares in conjunction with the Company's IPO. Capital reserves consist of the premium from

BdW (Beteiligungsgesellschaft für die deutsche Wirtschaft), which held an interest in Viscom AG until 1 January 2005, and the Viscom employees holding an interest in the Company, as well as the premium from the issue of new shares in the amount of € 38,591 thousand. The options for the utilisation of capital reserves are consistent with the provisions of the German Stock Corporation Act. A stock option plan for employees has not been established.

As communicated in the corresponding ad hoc release from 29 July 2008, Viscom has initiated buy-back of its own shares over the stock exchange since that date. During the period ending 31 December 2008, 124,922 shares were acquired for a total of € 561 thousand (including incidental transaction costs) at an average share price of € 4.47. The share buy-back programme reduced the number of dividend-bearing shares from 9,020,000 to 8,895,078 as of 31 December 2008. After the reporting date on 31 December 2008, an additional 7,293 shares were bought back up until the date the financial statements were prepared.

In the 2008 financial year, a dividend in the amount of € 2,706 thousand (previous year: € 4,510 thousand) was distributed to shareholders. This amounts to € 0.30 per share.

Given the current prevailing uncertainty with regard to the development of the global economy, the Executive Board and Supervisory Board propose that no dividends are distributed for the 2008 financial year.

The diluted and basic earnings per share is determined by dividing the consolidated net profit for the period by the average number of outstanding shares.

Some shareholders were granted a deferral of payments to capital reserves. The loans extended to those shareholders (€ 87 thousand; previous year: € 87 thousand) are offset against the respective capital reserves, and are expected to be repaid by 2010 at the latest. The interest receivables resulting from these loans are not deducted from shareholders' equity, but instead are reported separately under receivables. The loans were granted under the terms of a shareholders' agreement dated 17 November 2000 between Dr Heuser and Mr Pape in their capacity as existing shareholders of Viscom GmbH (the legal predecessor to Viscom AG) on the one hand, and eight senior employees of the Company and HPC Vermögensverwaltung GmbH, Hanover, on the other (hereinafter referred to as the "new shareholders"), on the subject of the capital increase in the amount of € 5,200 thousand that was subsequently implemented at Viscom GmbH and the transfer of the new equity interests to the new shareholders. It was agreed that the capital contributions for the increased share capital would be issued at their nominal amount, including a premium, and settled by the new shareholders in cash. It was also agreed that, as requested by the new shareholders, Viscom GmbH would defer the agreed premium totalling € 2,300 thousand until further notice, although not beyond 31 December 2010. Interest of 5.5 % has been charged on the premium from the date on which the new equity interests were transferred. As such, this receivable is subject to a corresponding interest rate risk.

Segment Information

Disclosures on the Group's geographical segments by sales market	**Europe**		**Asia**		**America**		**Consolidation**		**Total**	
	2008	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**	**2008**	**2007**
	K€	**K€**	**K€**	**K€**	**K€**	**K€**	**K€**	**K€**	**K€**	**K€**
External revenue	34,629	33,737	6,643	10,280	8,643	7,969	0	0	49,915	51,986
Segment result	-1,220	3,587	-767	511	392	384	9	0	-1,586	4,482
plus financial result	0	0	0	0	0	0	0	0	314	1,006
less income taxes	0	0	0	0	0	0	0	0	-435	-1,929
Consolidated net profit									**-1,707**	**3,559**
Segment assets	56,220	68,013	3,419	5,727	2,924	3,102	-2,437	-4,435	60,126	72,407
plus financial assets	2,073	2,350	0	0	18	17	-2,004	-2,269	87	98
plus deferred taxes and current income tax assets	0	0	0	0	0	0	0	0	4,806	623
Total assets									**65,019**	**73,128**
Segment liabilities	6,457	10,065	1,385	3,086	1,794	1,922	-2,278	-4,285	7,358	10,788
plus financial liabilities	533	529	0	0	256	521	-256	-521	533	529
plus deferred taxes and tax provisions	0	0	0	0	0	0	0	0	451	312
Total liabilities									**8,342**	**11,629**
Investments	822	3,377	32	104	30	212	0	0	884	3,693
Depreciation/amortisation	868	762	70	70	107	105	0	0	1,045	937

The geographical segments are the Group's primary segment reporting format, as its risks and rates of return are influenced in particular by the differences in its sales markets. Services are generally offset between the Europe segment and the other segments on the basis of transfer prices. The Group's business segments are the secondary segment reporting format. The geographical segments are determined on the basis of the domicile of the respective customer.

Disclosures on the Group's business segments	Optical and X-ray series inspection systems		Special optical inspection systems		Special X-ray inspection systems		Semiconductor inspection systems		Total	
	2008 K€	2007 K€	2008 K€	2007 K€	2008 K€	2007 K€	2008 K€	2007 K€	2008 K€	2007 K€
External revenue	40,003	39,598	3,920	7,722	5,747	4,666	245	0	49,915	51,986
Segment assets	46,445	52,585	4,722	10,755	6,923	6,499	2,036	2,568	60,126	72,407
Investments	709	1,020	69	199	102	120	4	2,354	884	3,693

The "Optical and X-ray series inspection systems" business segment contains all standard AOI machines which are identical up to a certain stage of completion irrespective of the content of the respective customer order. By contrast, special optical inspection systems are generally developed separately and for a specific customer or group of customers. Special X-ray inspection systems include systems that are integrated into a production line and stand-alone models, as well as X-ray tubes that are resold to original equipment manufacturers. Revenue and investments for the new business area generated from the acquisition of the MX product family from Phoseon Technology Inc. in 2007 are displayed in the "Inspection systems semiconductor industry" segment.

Viscom generated approximately 54 % of its revenue with the global operations of the subsidiaries of Bosch, and Continental, as well as the former Siemens VDO. Each operation is free to make its own investment decisions.

Segment Cash Flow Statement

Cash flow statement	Europe 2008 K€	Asia 2008 K€	America 2008 K€	Consoli-dation 2008 K€	Total 2008 K€
Cash flow from operating activities					
Net profit for the period after interest and taxes	-1,230	-733	215	41	-1,707
Adjustment of net profit for income tax expense (+)	305	2	160	-32	435
Adjustment of net profit for interest expense (+)	273	0	27	-25	275
Adjustment of net profit for interest income (-)	-568	-36	-10	25	-589
Adjustment of net profit for depreciation and amortisation expense (+)	868	70	107	0	1,045
Increase (+) / decrease (-) in provisions	-1.117	-19	454	0	-682
Gains (-) / losses (+) on the disposal of noncurrent assets	-7	4	4	0	1
Increase (-) / decrease (+) in inventories, receivables and other assets	6,770	2,904	1,002	-2,728	7,948
Increase (+) / decrease (-) in liabilities	-2,720	-1,837	-803	2,534	-2,826
Income taxes paid (-)	-1,490	-166	-237	0	-1,893
Net cash used in/from operating activities	**1,084**	**189**	**919**	**-185**	**2,007**
Cash flow from investing activities					
Proceeds (+) from the disposal of noncurrent assets	31	6	14	0	51
Acquisition (-) of property, plant and equipment and non-current intangible assets	-822	-32	-30	0	-884
Interest received (+)	537	37	9	-25	558
Payments from acquisition of a business area (-)	-53	0	0	0	-53
Net cash used in investing activities	**-307**	**11**	**-7**	**-25**	**-328**
Cash flow from financing activities					
Payments for acquisition of own shares (-)	-561	0	0	0	-561
Dividend distribution (-)	-2,706	0	0	0	-2,706
Repayment (-) of loans	0	0	-185	185	0
Interest paid (-)	-4	0	-28	25	-7
Cash flow from financing activities	**-3,271**	**0**	**-213**	**210**	**-3,274**
Changes in cash and cash equivalents due to changes in exchange rates	0	74	49	0	123
Cash and cash equivalents					
Changes in cash and cash equivalents	-2,494	199	698	0	-1,595
Cash and cash equivalents at 1 January	25,899	1,498	329	0	27,726
Total cash and cash equivalents	**23,405**	**1,772**	**1,077**	**0**	**26,254**

Other Disclosures

Disclosures regarding financial instruments and financial risk management

<u>Presentation of the categories of financial instruments and the corresponding net profit in accordance with IFRS 7</u>

Agreements, which mutually lead to the accrual of a financial asset for a company and the accrual of a financial liability or an equity instrument for a counterparty, are classified as financial instruments according to IFRS 7.

In this context, financial assets include cash and cash equivalents, contractually committed rights for receiving cash or other financial assets such as trade receivables, derivative financial instruments and equity instruments held in other companies. Financial liabilities include contractual obligations, a liquid asset or other financial assets to be released to other companies. This encompasses obtained loans, current loans, trade payables and derivatives.

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. The presentation enables carrying amounts and fair values to be compared.

For liquid assets and other current original financial instruments, including trade receivables, financial assets as well as other receivables and liabilities, the fair values correspond to the carrying amounts recognised at particular reporting dates.

The categories of financial assets and liabilities are included in the following tables:

Assets	Measurement category	Total		Nominal value		Amortised cost	
				Liquid assets/ cash reserve		Loans and receivables (L&R)	
31.12.2008 Amounts in K€		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets and other receivables	L&R	909	0	0	0	909	0
Trade receivables	L&R	10,218	0	0	0	10,218	0
Liquid assets	L&R	26,254	0	26,254	0	0	0
Total		**37,381**	**0**	**26,254**	**0**	**11,127**	**0**

Liabilities	Measurement category	Total		Amortised cost			
				Financial liabilities (FL)		Loans and receivables (L&R)	
31.12.2008 Amounts in K€		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Trade payables	FL	815	0	815	0	0	0
Other financial liabilities and liabilities to related parties	FL	4,166	0	4,166	0	0	0
Total		**4,981**	**0**	**4,981**	**0**	**0**	**0**

Assets 31.12.2007 Amounts in K€	Measure-ment category	Total		Nominal value Liquid assets/ cash reserve		Amortised cost Loans and receivables (L&R)	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets and other receivables	L&R	759	0	0	0	759	0
Trade receivables	L&R	16,783	0	0	0	16,783	0
Liquid assets	L&R	27,726	0	27,726	0	0	0
Total		**45,268**	**0**	**27,726**	**0**	**17,542**	**0**

Liabilities 31.12.2007 Amounts in K€	Measure-ment category	Total		Amortised cost Financial liabilities (FL)		Loans and receivables (L&R)	
		Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Trade payables	FL	1,855	0	1,855	0	0	0
Other financial liabilities and liabilities to related parties	FL	5,473	0	5,473	0	0	0
Total		**7,328**	**0**	**7,328**	**0**	**0**	**0**

The fair value option is not applied. At the reporting date, there were no financial instruments in the categories “held for trading purposes” and “held to final maturity”.

Net gains from financial instruments resulted from changes to the fair value, from impairment losses, write-ups and from write-offs. This also includes interest income and expenses and other profit components from financial instruments, which are not recognised in income and at fair value.

Interest income of € 364 thousand resulted from liquid assets in the 2008 financial year. Securities were bought throughout the financial year, which were classified as available for sale and generated interest income amounting to € 116 thousand. The sale of these securities resulted in income of € 109 thousand. The value adjustment of trade receivables at € 517 thousand (previous year: € 175 thousand) was recognised in income in the 2008 financial year.

Financial risk management objectives and processes (IAS 32/IAS 39)

The significant risks for Viscom's financial instruments were the default risk, the interest rate risk and the exchange rate risk.
The Executive Board determined corresponding risk processes, which it reviews on a regular basis. These risk processes are summarised in the following section.

Default risk

As of 31 December 2008, Viscom had total receivables amounting to € 3.8 million owed by numerous individual customers who are part of two major corporations. The Company does not currently see an increased default risk in its receivables.

Viscom employs appropriate control processes in order to ensure that sales are only entered into with customers with proven creditworthiness. This also means that the default risk associated with sales must be kept within acceptable limits.

Viscom does not act as guarantor for the obligations of other parties.

The maximum default risk can be derived from the carrying amount of each financial asset as reported in the balance sheet.

A value adjustment amounting to € 710 thousand (previous year: € 193 thousand) was recognised from the gross on trade receivables shown above.

Based on empirical values from the past, the Company recognised a value adjustment that accounted for both interest rate and default risk. Value adjustments on individual items were also recognised.

No interest income was generated from value adjusted financial assets in the period under review.

Age structure of financial assets 31.12.2008 Amounts in K€	Gross amount	Not overdue	Due in the following time frames				
			< 30 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Financial assets and other receivables	909	909	0	0	0	0	0
Trade receivables	10,928	3,120	2,373	1,068	908	1,945	1,514
Total	**11,837**	**4,029**	**2,373**	**1,068**	**908**	**1,945**	**1,514**

Age structure of financial assets 31.12.2007 Amounts in K€	Gross amount	Not overdue	Due in the following time frames				
			< 30 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Financial assets and other receivables	759	759	0	0	0	0	0
Trade receivables	16,976	11,443	1,371	395	900	857	2,010
Total	**17,735**	**12,202**	**1,371**	**395**	**900**	**857**	**2,010**

Interest rate risk

Individual financial instruments held by Viscom are exposed to interest rate risk. The interest rate risk is classified as insignificant, as the significant funds were invested with a fixed interest rate. This risk is stated in the explanatory notes on the respective items. No derivative financial instruments are employed for the purposes of hedging against interest rate risk.

Liquidity risk

Viscom is committed to ensuring that it has sufficient cash and cash equivalents or irrevocable credit facilities at its disposal to meet its obligations for the next three years as set out in its strategic plan. Viscom had not utilised any of the credit facilities extended to it at the reporting date. On this date, all of the Company's cash and cash equivalents were held in current bank clearing accounts and as cash in hand.

The remaining contractual terms are presented in the following tables:

Remaining contractual terms 31.12.2008 Amounts in K€	Carrying amount	Remaining terms		
		< 1 year	1 to 5 years	> 5 years
Trade payables	815	815	0	0
Other financial liabilities and liabilities to related parties and companies	4,166	3,898	268	0
Total	**4,981**	**4,713**	**268**	**0**

Remaining contractual terms 31.12.2007 Amounts in K€	Carrying amount	Remaining terms		
		< 1 year	1 to 5 years	> 5 years
Trade payables	1,855	1,855	0	0
Other financial liabilities and liabilities to related parties and companies	5,473	5,103	370	0
Total	**7,328**	**6,958**	**370**	**0**

There were no gross outflows.

Exchange rate risk

As Viscom operates internationally, the Group is also exposed to exchange risk risks. Around 15.9 % of the consolidated revenue is exposed to an exchange rate risk in the parent company.

Around 2 % of the parent company's revenue is denominated in a currency other than the reporting currency. At the balance sheet date, this exchange rate risk was not hedged. As of 31 December 2008, net receivables relevant to the exchange rate totalled € 1.6 million. With a change of 25 basis points, the exchange rate risk recognised in income amounts to around 2 % of receivables. Due to the Company's business volumes and the development of the Euro/US dollar exchange rate, the current level of exchange rate risk was deemed acceptable without the need for hedging.

Capital management
The uninvested and the therefore dedicated shareholders' equity components of the Company are used for controlling liquidity and financing the Company's operating activities. The Company's objective is to the finance operating acti-vities primarily from shareholders' equity. The continuing aim is for an equity ratio that enables dividends to be dis-tributed to shareholders in a comparative volume.

Use of derivative financial instruments
Viscom employs derivate financial instruments throughout the year for hedging currency and interest rate risks. In the 2008 financial year, as in the previous year, one de-rivative financial instrument (currency forward) was con-cluded for USD 1 million maturing in November for the purpose of protecting against exchange rate risk. In line with Company policy, no derivate financial instruments are held for merely trading purposes.

Development of acquisitions in the 2008 financi-al year
By agreement dated 23 August 2007, Viscom AG ac-quired from Phoseon Technology Inc. in Portland, USA, the MX product family for the inspection of semiconductor prod-ucts. The MX product family comprises inspection systems for the high-quality inspection of semiconductors using infrared light sources. The purchase price allocation was concluded in the third quarter of 2008. There were no changes to the originally recognised acquisition costs.

Related party disclosures
The related party disclosures listed below are rela-ted parties within the meaning of IAS 24:

Executive Board:
- Dr. Martin Heuser
- Volker Pape
- Ulrich Mohr

The total remuneration paid to the Executive Board for the past financial year amounting to € 548 thousand is broken down between the three members as fol-lows:

No variable earnings are to be paid, due to the negative annual profit.

Executive Board	Fixed Earnings* K€	Var. Earnings K€	Total 2008 K€	Total 2007 K€
Dr. Martin Heuser	182	0	182	238
Volker Pape	186	0	186	242
Ulrich Mohr	180	0	180	203
Total	**548**	**0**	**548**	**683**

* incl. cash value benefits (vehicles)

Supervisory Board

Dr. Jürgen Knorr	Chairman Chairman of the Supervisory Board, SIC Processing AG, Hirschau
Hans E. Damisch	Deputy Chairman Former Spokesman of the Executive Board, „Beteiligungsgesellschaft für die deutsche Wirtschaft mbH“, Frankfurt am Main Deputy Chairman of the Supervisory Board, Techni-Data AG, Markdorf Deputy Chairman of the Supervisory Board, Dura Tufting GmbH, Fulda Member of the Supervisory Board, „ASTRA Vermögensverwaltungs- und Beteiligungsgesellschaft mbH“, Hilgertshausen-Tandern Member of the Advisory Board, Paarl – Equity Management GmbH, Frankfurt am Main
Prof. Dr. Claus-Eberhard Liedtke	

The total remuneration paid to the members of the Supervisory Board for the past financial year is expected to consist of a fixed amount of € 45 thousand (previous year: € 45 thousand). The amount to be paid will be resolved by the Annual General Meeting on the past financial year.

Apart from the fixed remuneration component to the Supervisory Board, there were no receivables and liabilities to Supervisory Board members and Executive Board members as of 31 December 2008.

The members of the Supervisory Board Dr. Knorr (540 shares) and Prof. Dr. Liedtke (1,621 shares) hold a total of 2,161 shares in Viscom AG.

Parent company

HPC Vermögensverwaltung GmbH purchased a total of 98,004 Viscom AG shares in the 2008 financial year and held an interest of 55.35 % in Viscom AG as of 31 December 2008. HPC Vermögensverwaltung GmbH is therefore both an affiliated company and the parent company of Viscom AG.

In addition to the rental obligations presented above, the Group has concluded operating leases for company cars in particular with HPC Vermögensverwaltung GmbH. The table below sets out the future minimum expenses for the following periods:

		Services of related companies and parties K€	Liabilities to related companies and parties K€
From lease contracts:			
HPC Vermögensverwaltung GmbH	2008	104	0
	2007	164	28
From rentals:			
HPC Vermögensverwaltung GmbH	2008	360	0
	2007	401	0
Marina Heuser/Petra Pape GbR	2008	165	0
	2007	122	0
Dr. Martin Heuser/Petra Pape GbR	2008	436	0
	2007	416	0

Lease obligations for company cars	**2008** **K€**	**2007** **K€**
Total	**907**	**720**
of which to HPC Vermögensverwaltung GmbH (related party)	220	181
within one year of the reporting date	**344**	**281**
of which to HPC Vermögensverwaltung GmbH (related party)	87	73
within more than one year but less than five years of the reporting date	**563**	**439**
of which to HPC Vermögensverwaltung GmbH (related party)	133	108
within more than five years of the reporting date	**0**	**0**

Other related parties

There are rental agreements for seven properties in Carl-Buderus-Straße (CBS), Hanover, between the Company and Dr. Martin Heuser/Petra Pape GbR*, Hanover, Marina Heuser/Petra Pape GbR**, Hanover, and HPC Vermögensverwaltung GmbH***, Hanover, as well as one property in Fränkische Straße (FS), Hanover.

Agreements with related parties					
Agreements with remaining terms of	Office	Start of lease	Lease term	Net rent, monthly (€)	Net rent, annual (€)
between one and five years	CBS 9*	01.01.2001	10 years	5,000	60,000
	CBS 11*	01.08.2001	10 years	22,500	270,000
	CBS 13**	01.01.2001	10 years	6,500	78,000
	FS 28*	01.11.2008	5 years	2,200	26,400
	CBS 10***	15.11.2005	10 years	15,000	180,000
	CBS 10a***	15.11.2005	10 years	15,000	180,000
more than five years	CBS 6*	01.12.2007	10 years	2,000	24,000
	CBS 15**	15.11.2007	10 years	13,750	165,000
Total rental obligations with a remaining lease term of one year or less					**983,400**
Total rental obligations with a remaining lease term of between one and five years					**2,862,700**
Total rental obligations with a remaining lease term of more than five years					**1,408,375**

Last year’s rental obligations are unchanged in terms of amount.

Loan agreements

At the balance sheet date, there were no receivables or liabilities resulting from loan agreements with related parties.

Consultancy agreements

Viscom AG concluded a consultancy agreement on 17 December 2008 for a term of two months with Grünwald Equity Management GmbH, Grünwald.

Other financial obligations to third parties

Rental agreements

The office in Munich, which is responsible for sales in southern Germany, Austria, Hungary and Switzerland, is leased from a third party. The rented properties in Hanover, the USA, France and Singapore are also leased from third parties.

Purchase commitments

Purchase commitments amounted to around € 837 thousand as of 31 December 2008.

Events after the balance sheet date

No significant events occurred after the end of the 2008 financial year.

Agreements with third parties

Agreements with remaining terms of	Office	Start of lease	Lease term	Net rent, monthly (€)	Net rent, annual (€)
expired in 2008	Singapore	01.12.2005	3 years	3,725	44,700
	Shenzhen	01.09.2007	16 months	865	10,380
	Shanghai	15.10.2006	26 months	7,030	84,360
one year or less	Hanover CBS 7	01.01.2005	3 months	1,576	18,912
	Singapore	01.03.2007	2 years	4,840	58,080
between one and five years	Shanghai	01.01.2009	2 years	3.686	44,232
	Singapore	01.12.2008	2 years	5,679	68,148
	Singapore	18.01.2008	2 years	3,045	36,540
	Munich	15.03.2007	3 years	1,110	13,320
	USA San Jose	01.12.2006	40 months	3,780	45,360
	USA Atlanta	01.10.2006	5,5 years	4,749	56,988
	France	01.09.2004	6 years	1,634	19,608
Total rental obligations with a remaining lease term of one year or less					**311,566**
Total rental obligations with a remaining lease term of between one and five years					**267,450**
Total rental obligations with a remaining lease term of more than five years					**0**

Last year's rental obligations are unchanged in terms of amount.

German Corporate Governance Code

The Executive Board and the Supervisory Board submitted their annual declaration on the recommendations of the German Corporate Government Code (in the version from 6 June 2008, published in the Federal Gazette on 8 August 2008) in accordance with section 161 of the German Stock Corporation Act in February 2009, and have made this declaration permanently available to shareholders on the internet.

Auditors' fees

The total fees paid to the auditors of the 2008 consolidated financial statements and recognised as an expense can be broken down as follows:

Total auditors' fees	**2008** **K€**	**2007** **K€**
Audit of the accounts	95	60
Other assurance and valuation services	48	28
Tax advisory services	0	0
Other services	0	0
Total	**143**	**88**

The fees for other confirmation and valuation services are mainly in connection with the audit review of quarterly reports.

Hanover, 9 March 2009

Dr. Martin Heuser Volker Pape Ulrich Mohr

Auditor‘s Certificate 2008

The auditor has issued the following opinion on the consolidated financial statements and group management report: “We have audited the consolidated financial statements prepared by Viscom AG, Hanover, comprising the balance sheet, the income statement, the notes to the consolidated financial statements, cash flow statement, statement of changes in equity and segment reporting, together with the group management report for the fiscal year from 1 January to 31 December 2008. The preparation of the consolidated financial statements and the group management report in accordance with IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a Paragraph 1 HGB is the responsibility of the Company‘s management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB („Handelsgesetzbuch“: German Commercial Code) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany: IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the entities to be included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRS, as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315a Paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with applicable principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group‘s position and suitably presents the opportunities and risks of future development.”

Hanover, 9 March 2009

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Roter	Büchsenschütz
Auditor	Auditor

Corporate Governance Report 2008

The Executive Board and Supervisory Board of Viscom AG are committed to the principles of sound corporate governance. We see corporate governance as a vital element of the modern capital market. Therefore, Viscom AG welcomes the German Corporate Governance Code. The Code defines important legal regulations for the management and supervision of German listed companies, and it supplements internationally recognised standards of good and responsible management. This is intended to promote investors' and the public's trust in the management and supervision of publicly owned German companies. Viscom AG uses these expectations as a point of orientation. Our corporate governance allows us to ensure responsible management and control, focused on transparency and value creation.

Declaration of Compliance

The executive and supervisory boards of a publicly owned stock corporation are required by Section 161 of the German Stock Corporation Act to make an annual statement regarding the recommendations of the "Government Commission on the German Corporate Governance Code", as published by the Federal Ministry of Justice in the official section of the electronic federal bulletin. The statement should affirm past and future compliance with the terms of the Code, or it should explain which of the recommendations were not or will not be implemented. Permanent access to this declaration is to be provided to shareholders. This allows companies to deviate from the recommendations of the Code, but requires them to publicise these exceptions annually. In this way, companies can take into consideration the specific requirements of a sector or business. The Code therefore contributes to the flexibility and self-regulation of the German Articles of Incorporation.

The Executive Board and Supervisory Board of Viscom AG submitted the annual Declaration of Compliance, according to Section 161 of the German Stock Corporation Act, on 27 February 2009. It has been published and is permanently accessible on Viscom AG's website at www.viscom.de in the section "Investor Relations/Company/Corporate Governance/Declaration of Compliance". The Executive Board and Supervisory Board of Viscom AG have declared full past and future compliance with the recommendations of the Code, referring to version 14 June 2007 in the period from 14 February 2008 to 7 August 2008, and to version 6 June 2008 in the period since 8 August 2008, with the exceptions listed in this report below.

The exceptions to the Code recommendations (version 14 June 2007, or 6 June 2008) referred to in the Declaration of Compliance are as follows:

- The Company has excluded deductibles from its liability insurance (so-called D&O insurance) for the Executive Board and the Supervisory Board (Code Section 3.8)
- The Company has no Chairman or Executive Board Speaker (Code Section 4.2.1)
- The variable remuneration of the Executive Board does not contain any components with long term incentive effects (Code Section 4.2.3)
- The Supervisory Board has not formed any committees (Code Sections 5.3.1, 5.3.2, 5.3.3)
- The Articles of Association do not set fixed age limits for members of the Executive Board or the Supervisory Board (Code Sections 5.1.2, 5.4.1)
- The Viscom AG Executive Board members' employment contracts do not provide caps on severance compensation in the case of premature termination of Executive Board activity (Code Section 4.2.3)

The Code contains non-binding proposals in addition to the recommendations, and exceptions to these proposals are permitted without disclosure. A declaration regarding the proposals may be included in the Corporate Governance Report (Code Section 3.10).

Viscom AG voluntarily complies with the proposals of the Code, with the following exceptions:

- Due to the Company‘s size, it does not plan direct transmission of the Annual General Meeting via Internet or other media (Code Section 2.3.4)
- The variable remuneration of the Supervisory Board does not contain any components with long-term incentive effects (Code Section 5.4.6)

Relations to the Shareholders and the Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting. Each share grants one vote (one share, one vote) in the decision-making process. The Annual General Meeting elects the Supervisory Board members and decides on approving the actions of the Executive Board and Supervisory Board. It resolves on the use of retained earnings, on capital market measures and on the approval of Company contracts. Further responsibilities include the determination of Supervisory Board remuneration, as well as changes to the Company‘s Articles of Association. At the Annual General Meeting, the Executive Board and Supervisory Board render account of the past financial year. The German Stock Corporation Act provides for convening an extraordinary General Meeting in special cases.

The Company offers shareholders who do not wish to or are unable to exercise the voting right themselves the right to vote at the Annual General Meeting via a proxy bound by their instructions. This facilitates the exercising of shareholders’ rights in compliance with the provisions of the Code.

The Company does not plan direct transmission of the Annual General Meeting via Internet or other media, contrary to the proposal of the Code, as the proposal in Section 2.3.4 of the Code is not suitable to companies of our size. The material and financial expenditure required for direct transmission would be excessive.

The Company will use the Internet to inform interested shareholders about the presentation of the Executive Board report on the past financial year and the results of the resolutions.

Executive Board

The Executive Board of Viscom AG currently consists of three members: Dr. Martin Heuser (Technology), Volker Pape (Sales) and Ulrich Mohr (Finances). The Executive Board is responsible for the management of the Company. The primary tasks of the Executive Board are determining strategic alignment, managing the Company, and planning, establishing and monitoring a risk management system. All members of the Executive Board are involved in the day-to-day running of the Company and bear responsibility for operations. Contrary to the proposals of the Code (Section 4.2.1), the Company has no Chairman or Executive Board Speaker. This is partly due to the Company’s history. Executive Board members Dr. Martin Heuser and Volker Pape co-founded the Company in 1986 and have always made decisions jointly.

In this case, both the Executive Board and the Supervisory Board believe that a Chairman or Speaker is not necessary in a three-member Executive Board. The law regulating stock companies assumes the collegiality principle, i.e. a collegial and not a hierarchal Board. A strong consensus principle has applied for the Executive Board (as well as in its previous form) since the Company was founded. All significant decisions are always made jointly by the entire Executive Board.

The Supervisory Board has resolved standing rules for the Executive Board, in accordance with the Company's Articles of Association. The Articles of Association include the provision, in accordance with the provisions of the Code (Section 5.1.1), that specific material transactions of the Executive Board are subject to the Supervisory Board's approval.

Members of the Executive Board are subject to comprehensive restraint on competition during their Board membership. They are bound to the interests of the Company. No member of the Executive Board may allow personal interests to affect his decisions or make use of business opportunities to which the Company is entitled for his or her own benefit. Any possible conflicts of interest are to be disclosed promptly to the Supervisory Board, and other members of the Executive Board are to be informed. All transactions between the Company and the Executive Board members, as well as related parties, must be in line with standards that are customary within the sector.

In addition, Executive Board members require the Supervisory Board's consent to sideline activities, particularly the assumption of mandates in other companies.

The following members of the Executive Board presently hold shares in the Company:

• Dr. Martin Heuser: 255,000 shares held directly; Dr. Heuser also holds 50 % of HPC Vermögensverwaltung GmbH, which in turn holds 4,992,395 Viscom AG shares.

• Volker Pape: 255,000 shares held directly; Mr. Pape also holds 50 % of HPC Vermögensverwaltung GmbH, which in turn holds 4,992,395 Viscom AG shares.

• Ulrich Mohr: 60,000 shares.

The Company has concluded liability insurance for the Executive Board and the Supervisory Board (so-called D&O insurance) without a deductible. Deductibles within the context of D&O insurance remain a matter of dispute in public debate. The Executive Board and the Supervisory Board are bound by law to act responsibly and in the best interests of the Company. The Executive Board and the Supervisory Board are of the opinion that deductibles in the context of D&O insurance do not increase motivation and a sense of responsibility for members of these bodies. There is therefore no deductible in the context of D&O insurance.

Contrary to the proposals of the Code (Section 5.1.2), the Articles of Association do not specify an age limit for Executive Board members. This is currently not a relevant issue, given the age structure of the Executive Board members. There is general doubt about the connection between performance and specific age limits. Further, an age limit would significantly restrict the selection of suitable persons. A stipulation in the Articles of Association has not yet been considered necessary.

Supervisory Board

The Supervisory Board of Viscom AG consists of three members. The Company has no co-determination. The Supervisory Board monitors and advises the Executive Board on Company management. Its further responsibilities include appointing Executive Board members, determining their remuneration and examining the Company's annual financial statements.

The Company's Articles of Association allow the Supervisory Board to form committees from among its members. No such committees currently exist. The Supervisory Board does not see committee formation as advisable under the circumstances of the Company. The purpose of forming a committee, i.e. increasing the efficiency of the decision-making process, would not be achieved with a committee of only three members. The Supervisory Board has not formed an Audit Committee as proposed by the Code (Section 5.3.2) for the same reason.

Since 14 June 2007, the Code (Section 5.3.3) recommends forming a Nomination Committee that consists solely of shareholders. This committee should propose suitable candidates to the Supervisory Board for nomination at the Annual General Meeting. As the Supervisory Board consists of only three persons, there is no need to form a Nomination Committee that also has to be made up of at least three persons.

Work within the Supervisory Board is coordinated by the Supervisory Board Chairman or, in case of his impairment, by a Deputy Chairman. Tasks and rules of procedure are stipulated in the standing rules governing the Supervisory Board, to be resolved in accordance with the Articles of Association. This includes rules regarding the authorities of the Supervisory Board Chairman and his deputy, as well as rules pertaining to conflicts of interest and efficiency examination.

The members of the Supervisory Board are independent from the management and maintain no business relationships with the Company that could influence the independence of their opinion. Consultancy, service or work contracts between Supervisory Board members and the Company have not existed and do not exist. Supervisory Board approval has to be sought in exceptional cases involving Supervisory Board members who intend activity for the Company beyond the functions of the Supervisory Board. In its report at the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest that may have occurred in the respective financial year.

The following members of the Supervisory Board currently hold shares in the Company:

- Prof. Dr. Claus-Eberhard Liedtke: 1,621 shares.

- Dr. Jürgen Knorr: 540 shares.

The Articles of Association do not set an age limit for Supervisory Board members.

The Executive Board and the Supervisory Board share the opinion that an age limit would be a hindrance to the Company gaining and retaining suitable members for the Supervisory Board.

Cooperation between the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board of Viscom AG work consistently and closely together, in keeping with sound and responsible corporate governance. They coordinate regularly and on a timely basis in the areas recommended by the Code, but also on issues beyond those in the Code. The Executive Board reports to the Supervisory Board in scheduled monthly meetings, covering the general situation of the Company, including its risk position. Detailed information on Supervisory Board activity is included in the “Report of the Supervisory Board”.

Executive Board members normally attend the quarterly meetings of the Supervisory Board. In exceptional cases, the Supervisory Board meets alone, in line with the proposals of the Code. Extraordinary meetings and telephone conferences take place as required.

Remuneration Report

Remuneration of Executive Board Members

Remuneration of Executive Board members is determined by the Supervisory Board, and consists of a fixed annual salary and a profit-related bonus. The fixed component remains constant over a period of several years.

The variable component is determined in a bonus agreement concluded in advance with Executive Board members, based on the respective amount of the basic salary.

Currently, the performance-related remuneration of Executive Board members Dr. Martin Heuser and Volker Pape is 10 % of annual profits of Viscom AG (after taxes), limited to a maximum of a third of the fixed remuneration (without cash value benefits). Executive Board member Ulrich Mohr's variable remuneration is 3 % of Viscom AG's consolidated net profit (before taxes), up to a maximum of € 40,000. This is payable upon the approval of the annual financial statements.

There is no stock option programme at Viscom AG for management and employees.

Remuneration of the members of the Executive Board in the 2008 financial year is as follows:

Executive Board	Fixed Earnings* K€	Variable Earnings K€	Total Earnings K€
Dr. Martin Heuser	182	0	182
Volker Pape	186	0	186
Ulrich Mohr	180	0	180
Total	**548**	**0**	**548**

* incl. cash value benefits (vehicles)

Remuneration of Supervisory Board Members

Supervisory Board members receive a fixed (€ 45,000) and a variable remuneration for every full financial year of Supervisory Board membership. The variable remuneration is determined at the Annual General Meeting of the past financial year as a total amount for all members, as proposed by the Executive and the Supervisory Boards.

The total sum determined at the Annual General Meeting is divided between the individual members according to an exclusively internal decision of the Supervisory Board. The role of Chairman and Deputy Chairman of the Supervisory Board is taken into consideration here, but this decision is made by the Supervisory Board. In the 2007 financial year, the Supervisory Board Chairman received double the basic remuneration and the Deputy Chairman one and a half times the basic remuneration.

The remuneration of Supervisory Board members for the 2007 financial year including the variable component (€ 20,000) was as follows:

Supervisory Board	Total Earnings in K€
Dr. Jürgen Knorr	29
Hans E. Damisch	22
Prof. Dr. Claus-Eberhard Liedtke	14
Total	**65**

The remuneration for the past financial year will be determined at the 2009 Annual General Meeting.

Transparency

Open and transparent handling of information for the relevant target groups of Viscom AG is a high priority within the Company. The Company has appointed a Corporate Governance Officer to monitor adherence to the German Corporate Governance Code.

Viscom AG regularly reports to shareholders, financial analysts, shareholder associations, the media and interested parties on the situation of the Company, as well as significant corporate changes. All new information that is released to financial analysts and institutional investors is simultaneously made available to all shareholders and interested members of the public. Viscom uses the Internet and other means of communication to ensure that information is provided on a timely basis.

An overview of all key information throughout the financial year is published on our website at www.viscom.com.

• **Ad-hoc Publicity.** Ad-hoc notices are issued when facts arise concerning Viscom AG outside regular reporting that may significantly influence the share price. Viscom AG ad-hoc notices are available to shareholders on the Company's website in the section "Investor Relations/News/Ad-hoc Notices".

• **Notices Concerning Voting Rights.** In accordance with Section 21 of the Securities Trading Act, when the Company becomes aware that an entity acquires, exceeds or falls under 3 %, 5 %, 10 %, 15 %, 20 %, 25 %, 30 %, 50 % or 75 % of the voting rights in the Company as a result of a purchase, disposal or in any other fashion, this fact will also be promptly disclosed via a Europe-wide information system, as well as on our website.

• **Directors' Dealings.** Executive Board and Supervisory Board members of Viscom AG and certain executives who have regular access to insider information and are authorised to make significant Company decisions (including related parties as defined by the Securities Trading Act), are required to disclose their securities transactions, in accordance with Section 15a of the Securities Trading Act. These types of transactions will be published as soon as the Company is informed, via a European-wide information system, as well as on our website in the section "Investor Relations/News/Directors' Dealings". Members of Viscom's Executive Board and/or Supervisory Board, or related parties, acquired a total of 98,004 shares of Viscom AG between 18 February 2008 and 22 December 2008.

• **Financial Calendar.** We inform our shareholders and the capital market in advance about the dates of key publications (e.g. annual report, interim reports or Annual General Meeting) via our financial calendar, which is printed in the annual and interim reports and constantly available on our website.

Accounting and annual audit

Viscom AG prepares its financial statements in line with International Financial Reporting Standards (IFRS). Shareholders and interested parties are informed of the general situation of the Company via the annual and quarterly reports. All reports are simultaneously accessible on our website for all interested parties.

It was agreed with the auditors, that they would promptly inform the Supervisory Board Chairman of any grounds for disqualification or conflicts of interest that arise during the audit, if these are not resolved immediately.

The auditors should also promptly report all findings and occurrences significant to the tasks of the Supervisory Board as they occur during the audit. The auditors also have to inform the Supervisory Board and report in the audit report, if facts are determined in the course of the audit that do not conform with the Declaration of Compliance, as submitted by the Executive Board and the Supervisory Board, in accordance with Section 161 of the German Stock Corporation Act.

As of: 27 February 2009

Responsibility Statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for group interim financial reporting, the Group consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group 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."

Dr. Martin Heuser   Volker Pape   Ulrich Mohr

Financial Calendar

- 27 March 2009 .... Presentation of the 2008 Annual Report — Hanover
  Press briefing on annual result
- 30 March 2009 .... Analyst and Investor Conference — Frankfurt
- 14 May 2009 .... Presentation of the First-Quarter Report — Hanover
  Telephone conference
- 18 June 2009 .... Annual General Meeting — Hanover
- 13 August 2009 .... Presentation of the Second-Quarter Report — Hanover
  Telephone conference
- 11 November 2009 .... Presentation of the Third-Quarter Report — Hanover
  Telephone conference

Imprint

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Multiyear Report

Viscom AG five-year report		2008	2007	2006	2005	2004
Profit and loss						
Revenue	K€	49,915	51,986	53,307	50,483	43,096
EBIT	K€	-1,586	4,482	10,219	11,483	8,762
EBT	K€	-1,272	5,488	10,762	11,675	8,815
Income taxes	K€	-435	-1,929	-2,389	-4,208	-4,100
Annual profit	K€	-1,707	3,559	8,373	7,467	4,715
Balance						
Assets						
Non-current assets	K€	5,612	5,643	3,056	2,776	2,466
Current assets	K€	59,407	67,485	73,259	33,967	25,222
Total assets	K€	65,019	73,128	76,315	36,743	27,688
Liabilities						
Share capital	K€	56,677	61,499	62,574	20,331	14,616
Non-current liabilities	K€	533	529	0	273	2,476
Current liabilities	K€	7,809	11,100	13,741	16,139	10,596
Total capital	K€	65,019	73,128	76,315	36,743	27,688
Cashflow statement						
CF from current business	K€	2,007	-5,650	-4,717	10,132	4,834
CF from investment	K€	-328	-2,107	-299	-981	-434
CF from financing	K€	-3,274	-4,455	34,040	-3,414	-905
End of period capital	K€	26,254	27,726	40,144	11,286	5,319
Personnel						
Employees at year-end		412	376	346	266	229
Investment						
Tangible and intangible assets (paid)		937	3,234	1.269	1.038	585
Shares						
Shares		9,020,000	9,020,000	9,020,000	67,200	67,200
Dividend	K€	0	2,706	4,510	9,072	2,285
Dividend per share	€	0,00	0,30	0.50	135.00	34.00
Shareholder capital per share	€	6,28	6.82	6.94	302.54	217.50
Key figures						
EBIT margin	%	-3.2	8.6	19.2	22.8	20.3
Equity return	%	-3.0	5.8	13.4	36.7	32.3

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