VISCOM
vision technology

Annual Report 2009

25 Years of Excellence

VISCOM
vision technology

Contents

Key Group Figures

Key Group Figures	31.12.2009	31.12.2008
Revenue	20,874 K€	49,915 K€
EBIT	-13,893 K€	-1,586 K€
Financial result	618 K€	314 K€
Income taxes	-442 K€	-435 K€
Net profit for the period	-13,717 K€	-1,707 K€
Number of shares	9,020,000	9,020,000
Number of weighted shares	8,885,060	8,895,078
Diluted and undiluted earnings per share	€ -1.54	€ -0.19
Number of employees (end of the year)	273	412

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

Strengths

Our core competence is industrial image processing based on optical and X-ray technology inspection systems. Viscom is one of the leading producers of high-quality inspection systems for automatic optical inspection (AOI) and X-ray inspection (AXI) worldwide. The Company is the market leader across Europe in automatic optical inspection of electronic components.

Philosophy

Intensive innovation processes and professional project management are the engine that drives the creation of new products with a high level of market and customer success. We develop new applications for existing technologies and open up new market potential. We see user orientation, usability and customer proximity as primary criteria.

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.

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 us significant and sustainable growth potential.

Goals

Growth from ideas: Viscom has impressed customers and investors with its constant innovation from day one. Our clear goal is to follow an optimised strategy during the current crisis, securing market share as well as getting the Company back on track when conditions return to normal.

Foreword

Dr. Martin Heuser, Ulrich Mohr, Volker Pape
Executive Board

Dear Shareholders,
Ladies and Gentlemen,
Viscom turned 25 in 2009. It was a unique year in which we closed a very successful quarter of a century but were faced with the most challenging period in our Company's history.

Slumps on international markets had a very negative impact Viscom AG's business in 2009. The automotive supply industry once again played a critical role. A major portion of our incoming orders depends on this severely weakened industry. Extreme drops in revenue for 2009 were the consequences of this development.

We actively worked on counteracting this trend in the past financial year. On the one hand, strategic measures were intensified to gain a foothold in industries other than the automotive sector. On the other hand, we streamlined every area of our Company to cut costs and adapt to the altered revenue development.

Some of the more severe restructuring measures were reductions to headcount. A most regrettable yet absolutely necessary step: The decision was made to reduce the number of employees working at our main site in Hanover to 292 employees by 30 June 2009. Intensive analyses and consultations with the works council preceded further cuts. Another reduction took place in mid-2009: We established a transfer company for 36 employees, while another 44 are currently in 100 % short time as of the year's end. For other employees, short time is at a lower percentage based on the order situation. A positive development in this context: constructive cooperation between the Executive Board and works council as well as the careful social selection in the case of unavoidable redundancies. We thank those committed employees who had to leave the Company.

As announced, we switched from the Prime Standard of the regulated market of the Frankfurt Stock Exchange to the General Standard on 25 September 2009. This move helps lower costs by avoiding cost intensive disclosure obligations and by reducing expenses arising from listing the Company in this market segment.

We also streamlined our product portfolio considerably. Activities in the fields of photovoltaics and semiconductor inspection were reduced as market penetration in these fields is currently very difficult. For the moment, our focus is primarily on our core business.

Even in the midst of the crisis, we continue to invest in research and development at nearly the same level as before to generate new products with the prospect of great market success. We are able to have this positive outlook thanks to our proven product range and innovative new developments – despite the crisis.

Clear strategies go hand in hand with positive forecasts for 2010, giving us cause to look forward to the coming year with careful optimism.

In the final quarter of 2009, China in particular showed a quicker and more sustainable recovery in its market than was expected. Large investments have been forecast for the automotive and infrastructure field – good news for Viscom. At the same time, our competitive position has improved considerably as key competitors have left the global market. Activities for dedicated to tapping the Chinese market, especially the electronic manufacturing services (EMS) market, are being stepped up. On the other hand, the European and U.S. markets are recovering at a much slower pace. Innovative products and technologies should however sustainably strengthen our position as the market leader in the European market, especially with SME customers.

Our thanks go out to you, the shareholders that stand by our side. Firmly rooted in our own strengths and trusting in the expertise of our highly committed employees who we would like to especially thank for their hard work and together with you we can look to the future with optimism.

The Executive Board

Dr. Martin Heuser Volker Pape Ulrich Mohr

Report of the Supervisory Board

Klaus Friedland
Deputy Chairperson
of the Supervisory Board

Bernd Hackmann
Chairperson
of the Supervisory Board

Prof. Dr. Claus-E. Liedtke

In the following, the Supervisory Board reports its activities in the financial year 2009. The main issues addressed are advice given, compliance with the Corporate Governance Code, the Viscom AG and Group audit, and personnel changes on the Supervisory Board of the Company.

Monitoring Management

In the financial year 2009, the Supervisory Board carried out the duties and obligations required by law and Articles of Association. Activities of both the Executive Board and Supervisory Board focused on dealing with the effects of the economic crisis. The Supervisory Board actively supported the restructuring measures decided on by the Executive Board by offering advice and discussing issues with the Executive Board. Management activities of the Executive Board were regularly monitored by the Supervisory Board 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.

Structure of the Supervisory Board

The Supervisory Board of the Group consists of three members who are to be elected at the Annual General Meeting without being bound by any proposals for suitable candidates, in compliance with Section 11, Paragraph 1 of the Articles of Association in conjunction with Section 95, Sentences 1 to 4, Section 96 Paragraph 1, Section 101 Paragraph 1 of the German Stock Corporation Act (AktG). As of the end of the Annual General Meeting on 18 June 2009, Dr. Jürgen Knorr and Hans E. Damisch retired from the Supervisory Board of Viscom AG after the end of their three-year term of office. Prof. Dr. Claus-E. Liedtke ran for his position again and was re-elected as a member of the Supervisory Board by the Annual General Assembly on 18 June 2009. Bernd Hackmann and Klaus Friedland were elected as new members of the Supervisory Board. The new members' term of office will end at the close of the Annual General Assembly, which will approve the actions of the members of the Supervisory Board in the financial year 2013. As of 18 June 2009, the Supervisory Board elected Bernd Hackmann as the Chairperson of the Supervisory Board of Viscom AG and Klaus Friedland as the Deputy Chairperson.

Meetings of the Supervisory Board

During the 2009 financial year, the Supervisory Board promptly requested comprehensive information on 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 13 March, 17 June, 18 June, 25 September and 27 November 2009. All meetings were attended in person. Resolutions for urgent matters were also passed outside of meetings in both conference calls 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 the key figures required to assess business developments including comparisons to current budget and previous years' figures, 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 Chairperson of the Supervisory Board was in regular contact with the Executive Board which informed him of current business events.

Focus of Supervisory Board Advice and Supervision Activities

Information passed on from the Executive Board to the Supervisory Board focused on the deteriorating revenue situation as well as related effects on the business operations of Viscom AG in particular. The Supervisory Board discussed the organisation including risk management and the Company's economic, financial and strategic situation as well as key questions of corporate policy and strategy with the Executive Board. Restructuring measures of the Company, sales activities and research and development projects constituted the main topics of the Supervisory Board meetings in the financial year 2009. Further topics covered were the supervision of cost-cutting measures as well as other reviews, such as the evaluation of product cost accounting. In the Board meeting on 27 November 2009, the Supervisory Board familiarised itself with the 2010 budget planning of the Group.

The Supervisory Board supported the Executive Board in preparing and staging the 2009 Annual General Meeting and at its meeting on 13 March 2009 discussed the annual financial statements, the consolidated financial statements and the management reports as of 31 December 2008, the Executive Board's proposal for the use of retained earnings, as well as the Executive Board's report on the relationships of Viscom AG to affiliated companies in the presence of the auditors.

Each Supervisory Board member attended all Supervisory Board meetings.

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 Declaration of Compliance, in accordance with Section 289a of German Commercial Code (HGB) which is part of this report. Remuneration of the Supervisory Board is reported on an individual basis in the Corporate Governance Declaration printed in this Annual Report. There were no conflicts of interest with regard to the members of the Supervisory Board. During the 2009 financial year, the Supervisory Board assessed the efficiency of its activities in line with the requirements of the German Corporate Governance Code. The results of this review were incorporated in the Supervisory Board's work. Moreover, the Executive Board and Supervisory Board submitted the annual Compliance Statement confirming compliance with the German Corporate Governance Code on 27 February 2009. It has been made permanently accessible to the public on Viscom AG's website. The Executive Board, also on behalf of the Supervisory Board, reports on the Company's Corporate Governance in the Declaration of Compliance published by Viscom AG, in accordance with German Commercial Code Section 289a (HGB).

Accounting

Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hanover was elected by the Annual General Meeting of the Company on 18 June 2009 and appointed as auditor for the annual and consolidated financial statements by the Supervisory Board. The Supervisory Board then negotiated and awarded the audit assignment. The annual financial statements of Viscom AG prepared by the Executive Board according to German Commercial Code (HGB) and the consolidated financial statements prepared according to International Financial Reporting Standards (IFRS) as of 31 December 2009, as well as the summarised management and Group management report together with accounting were audited by the auditor who issued an unqualified audit opinion. The audit focused especially on the allocation of revenue to the appropriate accounting period, the valuation of inventories and the impairment test of intangible assets. In addition, the auditor inspected Viscom AG's existing early risk detection system in accordance with Section 317 (4) of German Commercial Code (HGB) and, as a result of this assessment, 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. payments made by the Company were not unreasonable for the transactions listed in the report,

3. the measures included in this report do not give cause for a materially different assessment from that of the Executive Board."

On 16 March 2010, the Supervisory Board meeting dealing with accounts took place. The annual financial statements, consolidated financial statements and audit reports, Executive Board's report on the relationships of Viscom AG to affiliated companies 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 and based on its own examination and discussion of the annual financial statements, consolidated financial statements, summarised management report and Group management, the Supervisory 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 concerning the accounts on 16 March 2010, 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 2009 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 16 March 2010, it determined that as the final result of its review, there are no objections against the declarations of the Executive Board at the end of the report on relationships with affiliated companies.

The Supervisory Board thanks Dr. Jürgen Knorr and Hans E. Damisch, former members of the Executive Board, for their many years of dedicated work as members of the Viscom AG Supervisory Board and for their help in the further development of the company. The Supervisory Board also thanks the current members of the Executive Board as well as all employees of the Company for their great commitment and hard work for the Company.

Hanover, 16 March 2010

The Supervisory Board

Bernd Hackmann
Chairperson

Viscom Shares

ISIN	DE 000 7846867
Market segment	General Standard
Number of shares	9.02 million
Free float	37.5 %
Market capitalisation	€ 32.38 million
High (Xetra)	€ 4.10
Low (Xetra)	€ 2.28
Average trading volume (Xetra/day)	6,584 shares
Earnings per share	€ -1.54

As of 31.12.2009

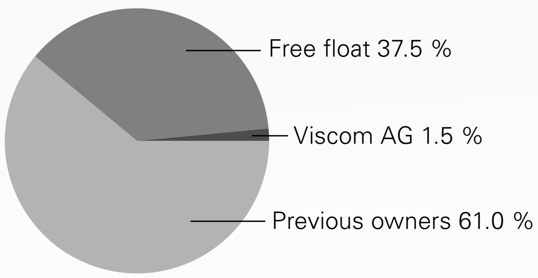
International financial markets experienced an especially cheerless start of the year 2009. The negative trend triggered by the financial and economic crisis continued, causing severe price losses internationally. The DAX fell to a 12 year low of 3,600 points in March 2009. As the year progressed, improved economic and corporate figures caused trust to slowly return to markets. Major stock indices began to show an upwards trend, with the DAX even reaching 6,000 points at the end of the year.

The price development of Viscom shares was quite volatile in comparison to the DAX. It reached its low for the year at a share price of € 2.28 on 12 March 2009. The efficiency and restructuring measures introduced in June 2009, especially those affecting personnel, were received positively on capital markets with increased share prices. The share reached its high for the year on 14 September 2009 at a price of € 4.10. It closed the year at € 3.59, an increase of around 26 % on the previous year's closing price.

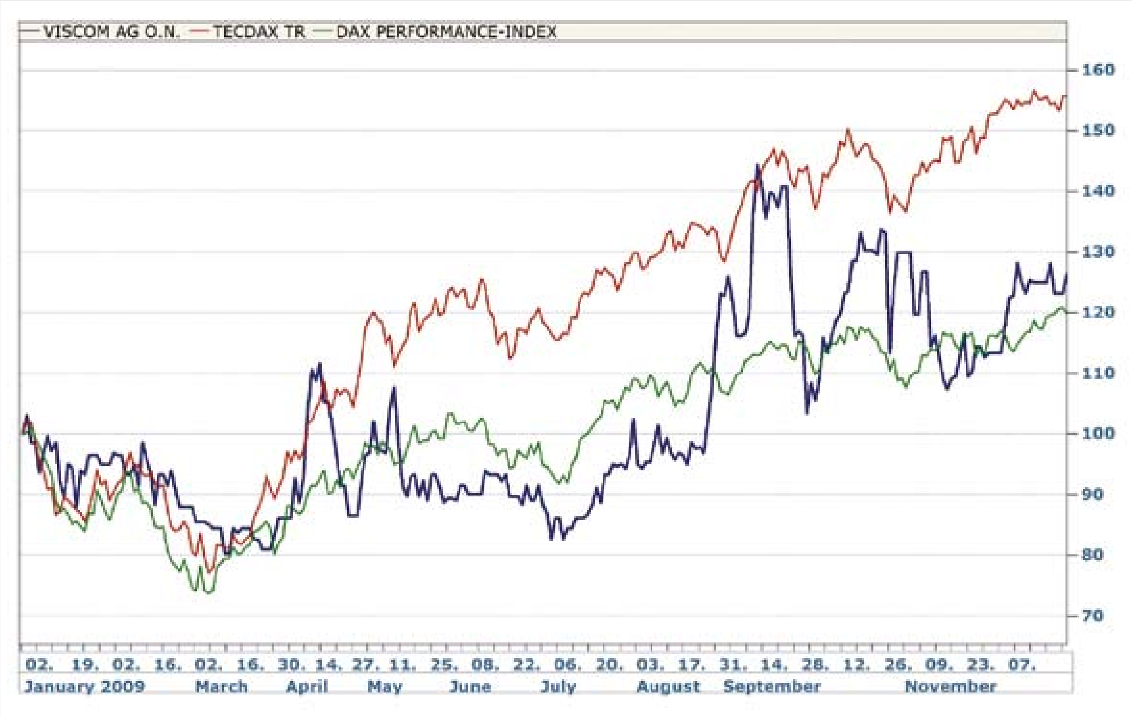
On the basis of the approval of the Annual General Meeting on 12 June 2008, Viscom AG bought back 134,940 of its own shares by 31 March 2009. The shares were acquired as currency for possible acquisitions and were still owned by the Company on 31 December 2009.

On 17 June 2009, Viscom AG's Executive Board and Supervisory Board decided to list all shares in the General Standard instead of the Prime Standard on the Frankfurt Stock Exchange's regulated market to avoid cost-intensive disclosure obligations and reduce expenses arising from listing the Company in the Prime Standard. The switch from the Prime Standard to the General Standard of the regulated market of the Frankfurt Stock Exchange took place on 25 September 2009.

Shareholder structure



Trend of the Viscom Shares in the fiscal year 2009



The Annual General Meeting of Viscom AG was staged on 18 June 2009 in Hanover. About 150 shareholders and shareholder representatives attended, representing 73.52 % of the voting share capital. Every motion on the agenda was passed with the needed majority. The resolution on the authorisation to acquire and use own shares according to Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) and the exclusion of the subscription right was not exercised after 1 April 2009.

Grünwald Equity Beteiligungs GmbH informed us according to Section 21 (1) of the Securities Trade Act (WpHG) that its voting rights in our Company had exceeded the threshold of 10 % on 29 September 2009 and amounted to a total of 10.34 % (933,030 voting rights) as of that day.

Our investor relations efforts aim is to make Viscom Group transparent for all participants on the capital market. Open communications are the only way to enable fair evaluations of the Company. This is especially true in economically challenging times. We therefore publish information relating to Viscom's shares in a timely manner on the Company's website at www.viscom.com/en_ir.

25 years of Viscom. 25 years of excellent products.

In October 2009, the time had finally come: Viscom AG celebrated it's anniversary. The Hanover-based Company has stood for top quality inspection technology for 25 years. Viscom develops, produces and sells inspection systems. Innovative inspection solutions such as the AOI/AXI combination system X7056, the wafer inspection system or the bonding wire control system are high-end systems in quality assurance. As one of the two leading global providers in component inspection, the Company has expanded over time and now also offers first-class solutions in the fields of semiconductor inspection and computed tomography.

First Viscom building, ready in 1992


Volker Pape 1986 at the Hanover Technology Centre

Volker Pape and Dr. Martin Heuser founded Viscom in October 1984 as a partnership under civil law (Gesellschaft Bürgerlichen Rechts) in industrial image processing. Back then, Pape and Heuser were pioneers of this new technology. Now, what started as a two person partnership has become a successful high-tech Company. With subsidiaries in Singapore, China, the U.S. and France as well as international offices, Viscom is all over the world.

It all started with the development of image processing software on 42 sqm of space in Hanover. The first orders for CD inspections followed as well as projects such as image processing for the centring of tree trunks or for film analysis. Nevertheless, the inspection of electronic components quickly became the founders' focus. Their success shows it was a wise move: the Company has become the European market leader in component inspection.

Hanover Fair 1992

But the Company is capable of more. Viscom AG is currently the only manufacturer to cover nearly

1984
Founded as GBR (legal entity)

1985
Customer-specific system development

1986
Incorporated as Viscom GmbH (ltd)

1989
First large order for printed circuit board inspection systems

1992
Move to the present headquarters in Hanover-Badenstedt

1994
Small series production start

1998
Branches founded in France, USA and Singapore

25 Years of Excellence

VISCOM vision technology

every field in non-contact industrial inspections. Our main focus is on the electronics and automotive industries with their strict quality requirements. But customers from aviation and aerospace technology, medical technology and the food industry also call on Viscom.

1994 Viscom inspection in the production line

With a constant stream of innovations and the generation of fresh ideas, Viscom is internationally regarded as the specialist in the field of quality assurance in production. Along with electronic components, Viscom's inspection systems check pacemakers, incandescent lamps, MEMS in the semiconductor industry and engine management systems in the automotive supplier industry.

These inspections have long evolved beyond merely using camera systems. Along with high-resolution line sensor technology, we also use our own X-ray technology and computed tomography as well as infrared technology. Which technologies are used, depends on which achieve the best results.

2002 inauguration of the new Viscom headquarters: former Minister President of Lower Saxony Sigmar Gabriel with Volker Pape und Dr. Martin Heuser

Technology leadership, reliable system quality and a high level of expertise characterise the basis of our success. The close and fair cooperation with our customers ensures practical solutions that are efficient, flexible and user-friendly. Great motivation for the next 25 years!

SMT Fair 2008

2001
Change from corporate to shareholders company

2004
Dr. Martin Heuser and Volker Pape awarded „Company of the Year“ in Hanover

2006
Stock market entry

2007
Implementation of new application centers

2008
Introduction of AOI/AXI Combined Inspection System X7056

2009
Elected supplier for combined inspection systems by major suppliers of car electronics

Onwards and upwards

There were drastic drop-offs in the global markets – and our revenue followed a similar trend as a result. But this will soon change. After a courageous, open and result-oriented analysis of the current situation, we restructured and repositioned Viscom AG without giving up our existing strenghts. The changes will serve to maximise our Company's strengths as they represent the basis for a quick return to our growth track:

- Efficient organization in all areas provides consolidation and future growth
- Our Company's management is experienced and able to manage crisis situations
- Viscom AG is not bound to a group – we are responsible for our own decisions
- Our operations are customer and industry-oriented
- Thanks to our technological leadership, Viscom products are at the top of their class around the world
- The Viscom network spans the globe: Europe – Asia – America
- We are system providers for complete solutions in various fields
- Market-oriented research and development create a high level of innovation

„Investing in the crisis
means investing in the future.
We know that and act accordingly."

Bold strategies provide the best prospects
As a high-end provider of automatic optical and X-ray inspection systems, we remain firmly anchored in the market. We want to further develop this position and combine premium quality with profitable results both for our Company and for our shareholders.

Viscom is the current leading provider of automatic inspection systems in Europe. Our growth strategy is based on reaching this position in Asia and North America as well.

The top-quality of our products and our profound expertise in various markets pave the way to growth. The challenge lies in winning over new industries and regions with the performance and favourable pricing of Viscom systems. Acquiring key customers that provide a positive signal effect in the respective industry or region is essential to the success of this strategy. We are focusing strongly on generating on-site evaluations with potential key customers – especially in Asia.

In Asia an the USA we will concentrate our efforts mainly on two machine types. This consolidation optimizes system installations and on-site service.

Our goal is clear: We want to be the world's leading provider of high-end systems. As a result, we put a strong emphasis on developing new products and system innovations. We are currently developing sensor technology as part of various ongoing projects. 3D sensors as well as fast multi-camera heads and 3D X-ray sensors have good prospects on the market. Another developmental goal is completing new software for user guidance.

Clear structures provide efficiency. All development is concentrated at our headquarters in Hanover. Sales and service are our areas of focus at external sites in Asia and America. Success in today's market requires that companies be represented on-site.

When it comes to affordability and top-quality, Viscom has mastered both. Where possible we produce inspection systems using prefabricated, purchased components. Production takes place exclusively in Hanover. This allows us to efficiently manufacture small series while also giving us the needed scope for building individual systems for custom solutions and prototypes. This, along with an in-house electric and mechanical design and construction, means that Viscom retains its momentum from a time-to-market perspective.

Our perspective is the market. This allows us to quickly and effectively recognize possible new applications of Viscom inspection systems. Access to such applications takes place by gaining key customers and then presenting them appropriate system solutions. The development of these new systems is financed from the development budget of the respective business area.

A tightly woven system of independent checks provides financial balance. The efficiency of the Company relies on the entire management's responsibility. Management team members receive targets for their respective budget and are responsible for achieving or adhering to them. Controlling monitors and regularly reports on budget compliance.

Our employees are the backbone of our Company. They are the number one reason why we can optimistically look forward to the future. Highly motivated, well educated specialists work as a team at Viscom to develop new products. Permanent innovation processes based on a visionary product management generate system solutions that are likely to impress and retain our customers.

Our approach involves working with the latest equipment in the area of development. This includes up-to-date software tools as well as a high-performance mechanical or electronic system.

Our strategy is a clear "yes" to investing in research and development. Putting that into numbers looks like this: We invested 14 % of our revenue, about € 2.9 million, into innovative product development last year. We also developed customer-specific solutions in addition to that.

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Group Management Report 2009
IFRS Consolidated Financial Statements 2009

25 Years of Excellence

VISCOM
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Contents

Group Management Report 2009
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 2009, the Company had bought back 134,940 shares. The remaining shares are in free float. The authorisation for the further acquisition of the Company's own shares approved by the Annual General Meeting on 18 June 2009 was not exercised by 31 December 2009.

The Executive Board of Viscom AG consists of three members at 31 December 2009.
Dr. Martin Heuser: Technology
Volker Pape: Sales
Ulrich Mohr: Finance

The Executive Board is monitored by the three members of the Supervisory Board:
Bernd Hackmann (Chairperson)
Klaus Friedland (Deputy Chairperson)
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 geographic 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 where all the centralised functions such as business administration, marketing and sales management are also based.

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

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

Sales activities are performed by sales employees of Viscom AG and its subsidiaries, as well as by agents acting on the market as industry representatives for mechanical engineering firms.

A new ERP system to control and administer all business processes has been in use since 1 January 2009. The order processing module included in this system is used by all locations around the world.

Legal and economic factors

There have been no changes in legal factors with a material effect on the Company in the 2009 financial year.

However, the general downturn caused by the international financial and economic crisis also had a significant impact on business developments at Viscom, leading to a major drop in revenues. The Company is severely affected by investment reluctance – especially in the automotive supplier industry, but also among other electronics manufacturers – as a result of weak current demand. A downturn in the production of consumer electronics in Asia also has a major impact on the Company.

Management system

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

The reports also include a detailed presentation of the cost structure at Viscom AG and its subsidiaries, revenue in its machine installation regions, 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 statements contained in the monthly reports are analysed in regular meetings between the Company's management and the heads of the business areas. Any action that may be necessary results in decisions which are usually implemented in the short term.

Quarterly reports in accordance with IFRS were published since the Company's initial listing up to the 2009 semi-annual report. With the switch from the prime standard to the general standard in September 2009, the quarterly reports were replaced by interim reports. The semi-annual report continues to be published.

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 based on profits and also 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

2009 saw the most severe global economic slump, especially in the USA and Europe, since the crisis in the 30s. Even many highly dynamic emerging nations, which enjoyed very high growth rates over the last few years, had to accept unusually low growth. The financial markets appeared to be in dire straits well into the spring of 2009. With the help of economic packages and cash infusions in the billions by governments and central banks, the economy was able to emerge from the global recession and commence a slow recovery. However, the economic recovery process is far from stable and subject to setbacks.

Even at the beginning of 2009, the weak economy had a greater impact on the Euro than on the US dollar. While the Euro gained ground over the course of the year, it once again weakened significantly against the US dollar by the end of 2009. The US dollar responded favourably to good news from the US economy while the Euro was dragged down by concerns about the Greek and other European national finances. The average exchange rate for 2009 as a whole is USD/€ 1.39.

The crisis also had a significant impact on Germany, with a total decrease in the gross domestic product of approximately 5 %. The Kiel Institute for the World Economy expects the German economy to grow by just 1.2 % in 2010.

Sector developments

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

Technical developments in the electronics industry have been a growth driver for Viscom over the last few years. However, no such positive impact was felt by Viscom over the course of the 2009 financial year. 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 development efforts, Viscom was able to provide evidence of these qualities in direct comparisons and thus reinforce its market position over the last few years. But due to the financial crisis starting in 2008, there was no incentive for the growth of electronic assembly production in the 2009 financial year, so that major manufacturers failed to make significant investments in inspection systems. This caused a major drop in revenues for Viscom as well as other manufacturers of capital equipment around the world. New production lines in Asia were generally set up with machines that became available in other regions.

The impact on automobile manufacturers – the largest group of end customers for electronics inspected using Viscom systems – from the decline in demand for vehicles varied. While the car-scrap bonus offered by the government of Germany in 2009 prevented a major downturn in the automobile sector, not all manufacturers participated equally in this government support programme. Some small, fuel-efficient, low-emission vehicles in particular were even able to achieve a gain in sales numbers compared to the previous year. But consumer reluctance remained high when it came to high-end, expensive vehicles that normally also contain a particularly large number of electronic components. The automotive industry in the USA also remains in a particularly difficult situation. But the drastic drops in revenue among the American automobile manufacturers can also be traced back to structural problems of the manufacturers. In particular, demand for vehicles that are not fuel-efficient has crumbled almost entirely. Most manufacturers in the USA now depend on government assistance.

Some German manufacturers, especially in the premium segment, extended their plant holidays and / or implemented reduced working hours for their employees in order to adjust their costs to the reduced utilisation of production capacity. As a manufacturer of capital equipment, Viscom was severely affected by the decrease in demand for expensive, well-equipped automobiles and the resulting drop in demand for electronic bought-in parts.

In 2009, Viscom intensified its efforts to gain a foothold in other industries such as telecommunication and semiconductor production, thereby reducing its dependence on the automotive sector. However, revenue in these sectors is still too low to compensate for the revenue downturn in the automotive industry.

Target sectors, target markets and target customers

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

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. Among these manufacturers, it is becoming more and more important to prevent returns due to poor quality.

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

Customer structure

Viscom generated approximately 31 % of its revenue with its two largest customers in the automotive supplier industry. A further 35 % of revenue was generated with approximately 23 customers, each of whom purchased between one and five inspection systems in the year under review. With approximately 48 customers, most of whom ordered one inspection system each, Viscom generated another 26 % of revenues. 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 model campaigns pursued by Viscom over the last few years, which involved considerable technical and economic progress, resulted in an expanded market position in Germany and Europe in the past.

Like most of its competitors, Viscom had to absorb a significant decrease in incoming orders and revenue during the 2009 financial year as the result of ongoing investment reluctance, especially among major customers. The Company accounted for this development with comprehensive cost cutting measures. In addition to the 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 to expand its international market position.

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 new products and machines. Among other things, a 3D compound inspection system is currently being developed. Expenditures for research and development, without customer-specific development, amounted to approximately 14 % of revenue.

Results of Operations

Development of revenue

Revenue amounted to € 20,874 thousand in 2009 (previous year: € 49,915 thousand). This corresponds to a decrease of around 58.2 % compared to 2008.

Developments in the entire 2009 financial year were very poor. Revenue for the first quarter of 2009 was € 5,471 thousand (previous year: € 11,865 thousand). Viscom only generated revenue of € 4,285 thousand in the second quarter of 2009 (previous year: € 16,581 thousand). Revenue for the third quarter of 2009 amounted to € 3,844 thousand (previous year: € 12,670 thousand). As expected, the fourth quarter of 2009 contributed to a somewhat more positive overall result with revenue of € 7,274 thousand (previous year: € 8,799 thousand). As it did in previous years, revenue in the second half of 2009 once again exceeded the first six months of 2009. Revenue has therefore returned to the accustomed seasonality.

Net profit for the period

Net profit for the period declined from € -1,707 thousand in the previous year to € -13,717 thousand. This is due to the severe drop in revenue caused by ongoing investment reluctance among our customers. Viscom started examining all variable costs at the end of 2008, when the initial effects of the global economic crisis led to a drop in revenue. The workforce, which was established based on much higher revenue, was adjusted to changing market conditions. Further personnel restructuring, which was necessary as the volume of incoming orders remained low, was conducted in mid-2009. Reduced working hours were also extended. Around 40 employees have been subject to 100 % reduced working hours since 1 July 2009. All of the measures had an impact in 2009, some of them only in the second half of 2009, and led to a reduction in labour cost of more than 26 % (€ 5,421 thousand) compared to the previous year.

Other operating expenses were cut by € 3,465 thousand. The first-time capitalisation of company-produced additions to assets also had a positive impact on net profit for the period (€ 862 thousand). Additional impairment losses on inventories (€ 3,963 thousand), which were required because of lower production output and the resulting extended inventory coverage, as well as extraordinary depreciation on patents, licenses and goodwill for the MX product family in the amount of € 1,777 thousand were the main factors that had a negative impact on net profit.

The ratio of net profit before taxes was -63.6 % (previous year: -2.5 %).

Earnings per share

As communicated in the corresponding ad hoc release from 29 July 2008, Viscom has initiated a buy-back of its own shares over the stock exchange since that date. In the period up to 31 March 2009, 134,940 shares were acquired in this context for a total of € 587 thousand, thereof 10,018 shares for € 26 thousand (including incidental acquisition costs) in the 2009 financial year. The share buy-back programme ended on 31 March 2009 as announced. The share buyback programme reduced the number of dividend bearing shares from 9,020,000 shares to 8,885,060 shares as of 31 December 2009. Earnings per share for the 2009 financial year amounted to € -1.54 (diluted and undiluted) based on an annual average of 8,885,748 shares. In the previous year, earnings per share amounted to € -0.19 based on 8,979,542 shares.

No dividend will be paid for the 2009 financial year.

Operating profit
A severe drop in revenue compared to the previous year led to a reduced consumption of stock items. This resulted in higher impairment losses for the stock of raw materials, auxiliary materials and supplies as well as assemblies due to extended inventory coverage. In absolute terms, impairment losses increased by € 3,963 thousand compared to the previous year.

The risk of bad debts was addressed by higher value adjustments on specific items. In reference to the receivables portfolio, percentage value adjustments increased significantly compared to the previous year from 7 % to 17 %.

The development of revenue for the "Phoseon" business area acquired in 2007 was unsatisfactory in the 2009 financial year. Based on market developments in 2009, the further development of revenue is no longer viewed positively. An impairment test was conducted and resulted in the unplanned write-off of the entire capitalised purchase cost totalling approximately € 1,777 thousand.

The costs already mentioned under net profit for the period also had a significant impact on operating profit. Operating profit (result of ordinary business operations less interest result) fell to € -13,893 thousand (previous year: € -1,586 thousand).

Financial result
There was an increase in the financial result compared to the previous year. Corporate bonds with terms between one and two years, which do not have an impact on the financial result this year, were purchased over the course of the financial year for a total of € 2,159 thousand. The remaining financial assets were either invested in term deposits or held in direct access savings accounts. The financial result for 2009 amounted to € 618 thousand (previous year: € 314 thousand), which corresponds to an increase of 96.8 %. Cash and cash equivalents were mainly invested at a low interest rate for tax optimisation in the previous year.

Exchange rate result
The US dollar was relatively strong at the beginning of the year under review compared to the previous year. Unfortunately Viscom was unable to turn this trend in its favour due to low revenue in Asia and America. The US dollar once again weakened in the second half of 2009 as revenue recovered slightly. Since total revenue was so low, the impact on exchange rate fluctuations experienced by the Company was immaterial. Approximately 7 % of total revenue was subject to a direct exchange rate influence.

Incoming orders
At € 19,931 thousand, incoming orders for 2009 were significantly below the value of € 41,913 thousand for the previous year. The order backlog at the end of 2009 was € 5,255 thousand (previous year: € 6,198 thousand). Decreases in these two key indicators are the result of current investment reluctance on the part of our customers.

Viscom is sharing the fate of other German mechanical engineering firms who generally experienced a drastic drop in orders for the 2009 financial year. Order volumes in certain industries such as machine tool manufacturing dropped by around 60 % for the year as a whole. Few industries were as severely affected by the financial and economic crisis as mechanical engineering. A slight recovery of incoming orders from the capital equipment industry was noted at the end of 2009. But these initial positive indicators should not make us loose sight of the fact that it may take several years for order volumes to return to the 2008 level.

Employees

The following table shows the number of Viscom employees as of 31 December 2009. The total number of employees decreased to 273 over the course of the year, partly because of further dismissals (previous year: 412). 11 employees are in training as of the turn of the year. Around 40 employees were subject to 100 % reduced working hours.

An average of 319 employees (excluding trainees) worked for the Group in the 2009 financial year. Out of this number, 134 employees are classified as commercial employees (sales, development and administration) while 185 are classified as industrial employees (production, logistics, projects and service).

As part of its cost cutting measures, the Company initiated the elimination of another 70 positions halfway through the year. These mainly consist of employees with temporary contracts as well as employees who have agreed to move to a transition company. However, some dismissals due to business conditions could not be avoided.

As of 31 December 2009	AG	USA	Asia	France	Total
Total	**235**	**13**	**20**	**5**	**273**
Of which full-time	223	13	20	4	260
Of which part-time	12	0	0	1	13
Plus: Trainees	11	0	0	0	11

Regional developments

Germany

Revenue in Germany in the amount of € 10,072 thousand decreased significantly compared to the previous year (€ 19,554 thousand). Nevertheless the Viscom home market remains the main sales market in 2009 and the percentage decrease in revenue compared to the previous year remains the least severe here. In Germany, the Company is the market leader for the production of inspection systems for electronic assemblies.

Additional new SME customers were acquired in Germany thanks to the success of the S3088-II and the innovative X7056 concept. These are mostly subcontractors who manufacture products on behalf of other companies.

Europe

At € 6,873 thousand (previous year: € 15,075 thousand), revenue for the rest of Europe also remained significantly below the previous year while the percentage decrease was more severe than in Germany. Viscom is offering both low-cost and high-end products for various customer groups and requirements in these markets. The market with the highest revenue in the rest of Europe was France with € 1,221 thousand followed by Hungary with € 950 thousand and Romania with € 854 thousand.

Impulses from the relocation and development of production capacity in Eastern Europe were not as favourable in 2009 compared to the previous years.

Americas

At € 2,459 thousand, Viscom only generated around 28 % of the revenue compared to the previous year (€ 8,643 thousand). Investments in additional sales activities on the American continent made in the past, such as establishing and expanding application and training centres, failed to stop the revenue slump triggered by the global economic crisis. The decrease in revenue for Central and South America to € 944 thousand (previous year: € 2,727 thousand) was somewhat less severe compared to the USA and Canada with € 1,514 thousand (previous year: € 5,894 thousand).

Asia (including Australia)

The downturn in revenue for the 2009 financial year was most severe in Asia. Total revenue including direct deliveries fell by 78 % to € 1,470 thousand (previous year: € 6,643 thousand). The global slump in sales of high-end vehicles is one reason while a downturn in demand for electronic equipment - mainly produced in Asia - is another. In addition, new production lines relocated to Asia for cost reasons were largely equipped with machines that became available in other regions.

Products / inspection systems

The inspection systems manufactured by the Viscom Group 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.

Images may be one-, two- or three-dimensional representations gained using 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 inspection systems manufactured by the Company in 2009 were primarily optical inspection systems of the S3088-II, S6056 and 7056RS series. While the S3088-II was originally designed for the Asian market, significant numbers are now also being sold in Europe and America.

Viscom has comparatively extensive product know-how due to continuous product development. Many variants of the individual machine types can be manufactured due to their 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 possibility 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.

In the X-ray field, Viscom is focusing on computed tomography and technically demanding customer projects, primarily in the area of semiconductor inspection in addition to optical inspection. The focus for 2010 is once again on the further development of machines for the Asian market, the establishment of a new 3D compound inspection system and a new operating system interface.

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 2009 financial year. In addition, the subsidiaries did not require any additional loans from the parent company. The Group's equity ratio is approximately 89 %.

Cash and cash equivalents / cash flow

Cash and cash equivalents as of 31 December 2009 amounted to € 25,322 thousand (previous year: € 26,254 thousand). In spite of high losses, they have only decreased by approximately € 1.0 million compared to the previous year. This was made possible by consistently decreasing the receivables portfolio and inventories.

The cash flow from:

- Operating activities showed a positive balance of € 1,757 thousand (previous year: € 2,007 thousand). This is primarily due to the positive changes in the item "Investories, receivables and the other assets" resulting from lower total receivables and reduced investories.

- Investment activities totalled € -2,635 thousand (previous year: € -328 thousand) and is mainly defined by the acquisition of corporate bonds (€ 2,159 thousand) with remaining terms between one and two years.

- Financing activities totalled € -26 thousand (previous year: € -3,274 thousand). This amount was applied to the repurchase of own shares.

In spite of the poorer payment practices of some customers, the length of time for receiving payments from trade receivables has decreased compared to the previous year thanks to better receivables management. Overdue receivables have decreased significantly compared to the previous year. There are no major defaults to report.

At the consolidated balance sheet date, all bank accounts had a positive balance. There were no loan liabilities to third parties outstanding at the consolidated balance sheet date.

Net Assets

Provisions and liabilities decreased in the 2009 financial year. Combined with the reduction in equity, this led to a balance sheet contraction. Total assets declined by 26 % from € 65,019 thousand to € 48,118 thousand.

Net assets and, in particular, cash and cash equivalents developed more positively in the 2009 financial year suggest by the losses thanks to a reduction in working capital. Receivables and inventories are significantly below the previous year's level. Cash on hand is only slightly lower compared to the previous year. Liabilities were generally settled with an early settlement discount within the agreed payment period.

Fixed assets

The patents (residual book value: € 1,686 thousand) and goodwill / expertise / customer list (residual book value: € 91 thousand) reported under intangible assets resulting from the acquisition of the MX product family in the 2007 financial year were written off in full in the 2009 financial year based on low expected future revenue.

Receivables

At € 6,618 thousand, trade receivables are below the previous year's level (previous year: € 10,218 thousand). This is mainly due to the decrease in customer orders and the related decrease in revenue compared to the previous year along with the optimisation of receivables management.

Value adjustments on trade receivables totalled € 1,101 thousand (previous year: € 710 thousand). Overdue receivables decreased by around 62 % (€ 3,003 thousand) overall compared to the previous year. Most of the overdue receivables are short-term in nature. Approximately 15 % of the total receivables are more than 6 months overdue.

Inventories
The book value of inventories stood at € 8,499 thousand at the end of the financial year (previous year: € 18,033 thousand). This net inventory figure includes impairment losses for extended inventory coverage in the amount of € 7,441 thousand (previous year: € 3,478 thousand), individual value adjustments on partially completed systems of € 89 thousand (previous year: € 117 thousand) and individual value adjustments on rental and demo machines of € 4,903 thousand (previous year: € 4,942 thousand). This means net inventories decreased by € 9,534 thousand compared to the previous year while gross inventories declined by € 5,638 thousand.

Liabilities
Trade payables decreased significantly to € 738 thousand by the end of the year (previous year: € 815 thousand) because of the lower order volume. As of 31 December 2009, there were no liabilities to banks.

Shareholders' equity
Shareholders' equity fell by 24 % from € 56,677 thousand in the previous year to € 42,842 thousand. This decrease is mainly the result of negative annual profit for the current financial year. However, the equity ratio of 89.0 % is higher compared to the value for the previous year (87.2 %) as a result of lower total assets.

Investments
Investments in property, plant, and equipment and intangible assets totalled € 1,049 thousand (previous year: € 884 thousand).

At € 862 thousand, the bulk of the investments applies to the first-time capitalisation of company-produced assets while the remainder mainly applies to software (€ 73 thousand, previous year: € 82 thousand), down payments on intangible assets (€ 30 thousand, previous year: € 310 thousand) and operating and office equipment (€ 76 thousand, previous year: € 370 thousand).

Corporate bonds with a remaining term between one and two years and a total value of € 2,159 thousand were acquired over the course of the 2009 financial year.

Corporate bonds with a remaining term of more than one year are reported under financial investments (€1,647 thousand). Short-term corporate bonds with a remaining term of less than one year are reported under current assets (€ 500 thousand).

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

Subsidies
Viscom did not receive any subsidies in 2009 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	2009 K€	2008 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities)	**20,277**	**18,445**
Tier 2 liquidity (tier 1 liquidity plus receivables less non-current liabilities)	**29,337**	**33,032**
Tier 3 liquidity (tier 2 liquidity plus inventories)	**37,836**	**51,065**
Assets:		
Cash and cash equivalents	25,322	26,254
Receivables and other assets	9,291	15,120
	34,613	**41,374**
+ Inventories	8,499	18,033
	43,112	**59,407**
Liabilities:		
Current liabilities	5,045	7,809
Non-current liabilities	231	533
Cash Flow 1		
Net profit for the period after taxes	-13,717	-1,707
+ Depreciation and amortisation expense	2,858	1,045
	-10,859	**-662**
Return on equity		
Net profit for the period/shareholders' equity	-32.0 %	-3.0 %
Return on Investment (ROI)		
Net profit for the period/total assets	-28.5 %	-2.6 %
Return on revenue		
EBT/revenue	-63.6 %	-2.5 %
Return on Capital Employed (ROCE)		
EBIT / (total assets - bank balances – current liabilities)	-78.3 %	-5.1 %
Net debt		
Liabilities (-)	-5,276	-8,342
+ Cash and cash equivalents	25,322	26,254
+ Receivables and other assets	9,291	15,120
= Net debt	29,337	33,032
Working Capital		
Current assets - liabilities	37,836	51,065
Equity ratio		
Shareholders' equity/total assets	89.0 %	87.2 %

Report on Post-Balance Sheet Date Events

There were no significant events after the end of the 2009 financial year.

Risk Report

Risk management strategy, processes and organisation

Since the parent company Viscom AG is a capital market-oriented corporation in terms of section 264d of the German Commercial Code (HGB), key features of the internal control and risk management system including the early identification of risks pursuant to section 91 (2) of the German Stock Corporation Act (AktG) have to be described pursuant to section 315 (2) (5) of the German Commercial Code (HGB), both in regard to the accounting processes of the consolidated companies and in regard to consolidated financial reporting.

The internal control and risk management system in terms of the accounting process and consolidated financial reporting is not defined by law. We view the internal control and risk management system as a comprehensive system and as a basis use the definition by the Institut der Wirtschaftsprüfer in Deutschland e. V., Düsseldorf (German institute of auditors) of an accounting-related internal control system (IDW PS 261 para. 19 f.) and risk management system (IDW PS 340 para. 4). An internal control system therefore includes the principles, processes and measures introduced by Company management to support the organisational realisation of management decisions.

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.

The Executive Board bears the overall responsibility for the internal control and risk management system in regards to the accounting process and consolidated financial reporting. All companies included in the consolidated financial statements are tied in by the management and reporting structure.

The Executive Board of Viscom AG considers the following elements of the internal control and risk management system at Viscom essential in regards to the accounting process and consolidated financial reporting:

- Procedures to identify, evaluate and document all essential company processes and sources of risk relevant to the accounting process. These include finance and accounting processes as well as administrative and operational company processes that generate essential information required to prepare the annual and consolidated financial statements including the management report and Group management report.

- Controls integrated into processes (e.g. IT-supported controls and access restrictions, the separation of functions, analytical controls).

- Monthly internal consolidated reporting with the analysis of significant developments.

- Measures to assure the proper IT-supported processing of facts and data related to consolidated financial reporting.

In accordance with section 91 (2) of the German Stock Corporation Act, the risks described below are regularly evaluated at management meetings, with decisions being taken 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 comes directly or indirectly from 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.

The Viscom business strategy is to reduce this risk through various development and sales activities with areas of application in other industries.

Customer risk
Viscom generated approximately 31 % of its revenue with the global operations of the subsidiaries of Bosch and Continental as well as the former Siemens VDO. This means the proportion of revenue fell by more than 24 % compared to the previous year. Each operation of these subsidiaries is generally free to make its own investment decisions. Nevertheless, a certain level of risk remains due to the large proportion of revenue generated through sales to these customers. This was clearly revealed by investment reluctance in 2009, especially among the subsidiaries.

As a result of the current financial market crisis, there is an increased default risk – particularly among customers with weak liquidity and lower revenue.

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. Foreign currency hedges, e.g. using forward exchange transactions, were not established in 2009 but have been set up as needed in the past.

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. The Company is only directly dependent on specific suppliers to a very limited extent. There were no bottlenecks relating to the procurement times for specific assemblies and components during the period under review. 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. In spite of the high loss in 2009, liquidity was maintained close to the level of the previous year. No borrowing will be required to finance the expenditures that have been made and are planned for 2010.

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 in spite of overall economic developments.

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. Overlap with other brands only occurred very rarely.

To prevent having to reveal its expertise to third parties, only a few process patents have been registered to date – e.g. the patents for the MX products which have been applied for and partially registered. There are currently no legal disputes in regards to trademarks or patents.

Competitive risk/competitive advantage

Most of Viscom's competitors are subsidiaries of multinational conglomerates with high investment potential. As a result of ongoing 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 2009.

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 continue to be evident relating to the development of revenue since this is highly dependent on subsequent developments in the automotive supplier industry.

The Company expects developments for the 2010 financial year to improve significantly compared to the period under review.

Viscom was forced to implement additional staff cuts in mid-2009 as revenue continued to decline. In order to keep the number of dismissals due to business conditions as low as possible, 36 employees were offered the opportunity to move to a transition company and most temporary contracts were not renewed. However, some dismissals due to business conditions could not be avoided. Around 40 employees were subject to 100 % reduced working hours in the second half of 2009 and additional reduced working hours between 10 % and 80 % were unavoidable in several departments based on the order volume.

In 2009, the Executive Board and Supervisory Board decided to list all shares of the Company in the General Standard instead of the Prime Standard in the regulated market of the Frankfurt Stock Exchange to avoid cost-intensive disclosure obligations and reduce expenses arising from listing the Company in the Prime Standard. The change was implemented at the end of September 2009.

The Annual General Meeting of Viscom AG took place on 18 June 2009 at the Expowal, Hanover. It was decided not to distribute any dividends for the 2008 financial year as the negative economic trend resulted in unsatisfactory revenue and earnings and it was very difficult to forecast market developments. The Annual General Meeting also elected the new Supervisory Board of Viscom AG. Mr. Bernd Hackmann, former CEO of LPKF Laser & Electronics AG, Garbsen, assumed the position of Chairperson of the Supervisory Board of Viscom AG from Dr. Jürgen Knorr. Mr. Klaus Friedland, a consultant from Hemmingen, took over as Deputy Chairperson of the Supervisory Board from Mr. Hans E. Damisch. Prof. Dr.-Ing. Claus-Eberhard Liedtke, university professor, Hanover, was re-elected as a member of the Supervisory Board.

Forecast 2010 / 2011

Economic conditions

Overall economic conditions for 2010 have improved slightly compared to the previous year. Various economic experts expect a recovery of consumption and the willingness to invest. In many newly industrialised economies with high production capacity – especially in Asia – economic growth has once again stabilised or even started to recover. This means a higher willingness to invest is to be expected in these countries in 2010/2011. Ongoing technology advancements will also 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.

Nevertheless the expected positive economic developments over the coming years remain unclear. In particular, any company-specific forecasts remain uncertain in the current financial market and industry situation because of high market volatility.

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 innovative strength
- technological 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, which is based on customer requirements, 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 an important market for 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 revenue within the European market – including Southern and Eastern Europe – to once again increase over the course of 2010.

The situation in America is similar. The market in the USA and Canada is also expected to recover. Growth opportunities are expected in Central and South America.

Most current forecasts for the electronics industry once again expect growth in Asia. This is why we are assuming significantly higher revenue 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 as the economy recovers.

Company segments

In addition to geographic 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) constitutes another focal point.

The IP business area (products for semiconductor inspection) was integrated into the NP business area as part of the restructuring process. The expectation that infrared inspection technology would form a further pillar of strong growth alongside optical and X-ray inspection systems was not met in 2009. Most of the applications in demand were highly customer-specific and therefore associated with very high additional development costs on a case-by-case basis. The MX product family acquired from Phoseon Technology Inc. in 2007 remains part of the product range. Installations with only minor customisation are expected to be sold at a low level in the future.

Viscom Services was established as an independent central business area in 2008. This business area commenced operations on 1 January 2009. An improved and even more extensive range of services has been offered to customers since then. Further growth of this business area is expected.

Products and services

Viscom will continue to focus on the development of new standard inspection systems in order to meet future customer requirements. Examples include the further development of the S3088 to accept larger test specimens and the X7056 for 3D X-ray inspection.

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.

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 and assuring short delivery times.

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 increase in revenue in 2010 compared to 2009. The development of incoming orders and revenue will once again largely depend on the overall economic situation in the coming year, especially in the automotive industry. Forecasts are difficult to make at this point. For this reason and in response to the revenue decline in 2008 and 2009, Viscom has decided to implement comprehensive cost reduction measures. 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. Viscom fully implemented these measures in 2009. If the economic recovery is slow, the possibility of additional restructuring measures cannot be excluded. With budgeted revenue of

€ 30 million, Viscom expects results of operations to improve significantly in 2010. The Company will strive to break even. A return to revenue at the level before the crisis with significant positive results can be expected for 2011 and especially for 2012.

Financial Position

It can be assumed that cash and cash equivalents will decrease and working capital will increase as the economy recovers since the receivables portfolio and inventories will rise based on customer orders. However, there are no plans for borrowing in 2010 thanks to the ongoing good liquidity position. Capital continues to be available for investing activities. Only part of the financial assets have been invested in corporate bonds for the medium term, i.e. between one and two years. Most of the funds, invested in direct access savings accounts and term deposits, are available quickly.

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 no major investments in 2009. Investment activities have been scaled back severely due to the current economic situation.

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 for the support of 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's inspection systems.

Declaration of Compliance

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. In this declaration the Executive Board of Viscom AG – also on behalf of the Supervisory Board – reports on the management of the Company pursuant to section 3.10 of the German Corporate Governance Codex and section 289a (1) of the German Commercial Code (HGB).

The Declaration of Compliance and the Compliance Statement were published on the Viscom AG website www.viscom.com on 26 February 2010 in the section "Investor Relations/Company/Corporate Governance/Declaration of Compliance" and "Investor Relations/Company/Corporate Governance/Compliance Statement", respectively.

The Declaration of Compliance and the Compliance Statement are also included in the Company's 2009 Annual Report.

Report on Additional Disclosure Requirements for Listed Companies

Viscom AG completed its initial public offering in May 2006 and was listed in the Prime Standard of the regulated market on the Frankfurt Stock Exchange until September 2009. Since September 2009 Viscom has been listed in the General Standard of the regulated market. 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.

Each share entitles the bearer to one vote at the Annual General Meeting. None of the issued shares are furnished with special rights.

HPC Vermögensverwaltung GmbH, Hanover holds an interest of 55.35 % in Viscom AG as of 31 December 2009. Grünwald Equity Beteiligungs GmbH, Grünwald, holds an interest of more than 10 % in Viscom AG as of 31 December 2009.

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 through the issue of 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 17 December 2010 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.

Confirmation of the Dependency Report

Viscom AG was dependent on HPC Vermögensverwaltung GmbH in the 2009 financial year. Since there was no control agreement between said company and Viscom AG in this period, the Executive Board of Viscom AG prepared a report of the Executive Board regarding the relationships to affiliated companies pursuant to section 312 (1) of the German Stock Corporation Act (AktG), which includes the following confirmation:

"Our Company received commensurate compensation for each of the legal transactions listed in the report on relationships to affiliated companies and was not disadvantaged by the measures taken or omitted according to the report. This assessment is based on the circumstances known to us at the time of the transactions subject to mandatory reporting."

Hanover, 8 March 2010

Dr. Martin Heuser Volker Pape Ulrich Mohr

IFRS Consolidated Financial Statements 2009

Consolidated Statement of Income and Accumulated Earnings

Item	Consolidated Statement of Income and Accumulated Earnings	31.12.2009 K€	31.12.2008 K€
G1	Revenue	20,874	49,915
G2	Other operating income	3,117	3,155
		23,991	53,070
G3	Changes in finished goods and work in progress	-6,648	-1,007
G4	Other capitalised company-produced assets	862	0
G5	Cost of materials	-5,529	-20,007
G6	Staff costs	-15,268	-20,689
G7	Depreciation and amortisation expense	-2,858	-1,045
G8	Other operating expenses	-8,443	-11,908
	Operating expenses	**-37,884**	**-54,656**
	Operating profit	**-13,893**	**-1,586**
G9	Interest income	757	589
G9	Interest expense	-139	-275
G10	Income taxes	-442	-435
	Net profit for the period	**-13,717**	**-1,707**
G11	**Earnings per share (diluted and undiluted) in €**	**-1,54**	**-0,19**
	Other earnings		
	Currency translation differences	-92	152
	Other earnings after taxes	**-92**	**152**
	Total earnings	**-13,809**	**-1,555**

Consolidated Balance Sheet: Assets

Item	Assets	31.12.2009 K€	31.12.2008 K€
	Current assets		
A1	Cash and cash equivalents	25,322	26,254
A2	Trade receivables	6,618	10,218
A3	Current income tax assets	1,138	3,993
A4	Inventories	8,499	18,033
A5	Other financial receivables	896	151
A5	Other assets	640	758
	Total current assets	**43,113**	**59,407**
	Non-current assets		
A6	Property, plant and equipment	1,372	1,940
A7	Goodwill	0	15
A8	Intangible assets	1,505	2,756
A8	Financial assets	1,670	0
A9	Loans originated by the Company	52	87
A10	Deferred tax assets	406	814
	Total non-current assets	**5,005**	**5,612**
	Total assets	**48,118**	**65,019**

Balance Sheet: Liabilities and Shareholders' Equity

Item	Liabilities	31.12.2009 K€	31.12.2008 K€
	Current liabilities		
P1	Trade payables	738	815
P2	Advance payments received	488	315
P3	Provisions	1,439	2,645
P4	Current income tax liabilities	433	451
P5	Other financial liabilities	841	1,824
P5	Other current liabilities	1,106	1,759
	Total current liabilities	**5,045**	**7,809**
	Non-current liabilities		
P3	Non-current provisions	231	265
P6	Other non-current liabilities	0	268
	Total non-current liabilities	**231**	**533**
	Shareholders' equity		
P7	Subscribed capital	9,020	9,020
P8	Capital reserves	41,583	41,609
P9	Retained earnings	-7,603	6,114
P10	Exchange differences	-158	-66
	Total shareholders' equity	**42,842**	**56,677**
	Total liabilities and shareholders' equity	**48,118**	**65,019**

Cash Flow Statement

Item	Cash Flow Statement	31.12.2009 K€	31.12.2008 K€
	Cash flow from operating activities		
	Net profit for the period after interest and taxes	-13,717	-1,707
G10	Adjustment of net profit for income tax expense (+)	442	435
G9	Adjustment of net profit for interest expense (+)	139	275
G9	Adjustment of net profit for interest income (-)	-757	-589
A6 to A8	Adjustment of net profit for depreciation and amortisation expense (+)	2,858	1,045
P3	Increase (+) / Decrease (-) in provisions	-1,206	-682
A6 to A8	Gains (-) / losses (+) on the disposal of non-current assets	0	1
A2 to A5, A9 to A10	Increase (-) / decrease (+) in inventories, receivables and other assets	13,879	7,948
P1 to P3, P5 to P6	Increase (+) / Decrease (-) in liabilities	-2,804	-2,826
G10	Income taxes repaid (+) / paid (-)	2,923	-1,893
	Net cash used in/from operating activities	**1,757**	**2,007**
	Cash flow from investing activities		
	Proceeds (+) from the disposal of non-current assets	15	51
A6 to A8	Acquisition (-) of property, plant and equipment and non-current intangible assets	-186	-884
	Acquisition (-) of non-current financial investments	-2,185	0
G4	Capitalised development costs (-)	-862	0
G9	Interest received (+)	583	558
See other disclosures	Payments from acquisition of a business area (-)	0	-53
	Net cash from/used in investing activities	**-2,635**	**-328**
	Cash flow from financing activities		
P7 to P10	Expenditure for acquisition of own shares (-)	-26	-561
P7 to P10	Dividend distribution (-)	0	-2,706
G8	Interest paid (-)	0	-7
	Cash flow from financing activities	**-26**	**-3,274**
	Changes in financial assets due to changes in exchange rates	-28	123
	Cash and cash equivalents		
	Changes in cash and cash equivalents	-904	-1,595
	Cash and cash equivalents at 1 January	26,254	27,726
	Total cash and cash equivalents	**25,322**	**26,254**

Statement of Changes in Shareholders' Equity

Shareholders' Equity	Subscribed Capital K€	Capital Reserve K€	Exchange Rate Differences K€	Retained Earnings K€	Total K€
Shareholders' equity at 1 Jan. 2008	9,020	42,170	-218	10,527	61,499
Net profit for the period	0	0	0	-1,707	-1,707
Other earnings	0	0	152	0	152
Total earnings	**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
Shareholders' equity at 1 Jan. 2009	9,020	41,609	-66	6,114	56,677
Net profit for the period	0	0	0	-13,717	-13,717
Other earnings	0	0	-92	0	-92
Total earnings	**0**	**0**	**-92**	**-13,717**	**-13,809**
Dividends	0	0	0	0	0
Acquisition of own shares	0	-26	0	0	-26
Shareholders' equity at 31 Dec. 2009	9,020	41,583	-158	-7,603	42,842

Notes to the Consolidated Financial Statements

General disclosures on the Company, 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 Company's business address is Viscom AG, Carl-Buderus-Straße 9-15, 30455 Hanover, Germany.

These consolidated financial statements were approved on 8 March 2010 by the Executive Board for presentation to the Supervisory Board.

The consolidated financial statements and the 2008 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 2009 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 2009.

Changes or additions to IFRS and resulting reporting, recognition or measurement changes

Compared to the consolidated financial statements dated 31 December 2008, the following standards and interpretations have changed or became mandatory following their adoption under EU law or the effective date of the provisions:

Amendments to IAS 1 "Presentation of Financial Statements: A Revised Presentation"

The changes to IAS 1 were published on 6 September 2007, adopted under EU law on 17 December 2008 and are to be applied to financial years beginning on or after 1 January 2009. The changes mainly relate to new terminology for the income statement, balance sheet and cash flow statement, the introduction of a calculation method for certain equity changes ("Statement of Comprehensive Income") and the obligation to disclose an opening balance for the first reported period affected by a retroactive balance sheet adjustment. While the changes to IAS 1 are relevant to the Viscom Group, they did not have a significant impact on the net assets, financial position and results of operations of the Group.

Amendments to IAS 23 "Borrowing Costs"

The changes to IAS 23 were published on 29 March 2007, adopted under EU law on 10 December 2008 and first apply to financial years beginning on or after 1 January 2009. The amendments eliminate the accounting policy choice to record interest on external capital related to the acquisition or production of qualified assets directly under expenses. In the future, such interest on external capital is to be included in the cost of acquisition or production of qualified assets. The amendments to IAS 23 were immaterial to the Viscom Group in the 2009 financial year.

Amendments to IAS 32 and IAS 1 "Puttable Financial Instruments and Obligations Arising on Liquidation"

The changes to IAS 32 and IAS 1 were published on 14 February 2008, adopted under EU law on 21 January 2009 and are to be applied for the first time to financial years beginning on or after 1 January 2009. Based on these amendments, some financial instruments that previously met the definition of a financial liability will now be classified as equity since they represent the lowest-ranking claim to the net assets of the company. However, detailed requirements have to be met. There are no resulting effects on the Viscom Group.

Amendment to IAS 39 "Reclassification of Financial Assets: Effective Date and Transition"

On 27 November 2008, the IASB published a revised version of the "Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments" first published on 13 October 2008. The amendments were adopted under EU law on 9 September 2009. The changes issued on 13 October 2008 relate to the reclassification of certain financial instruments. Revisions were made in order to clarify the effective date of the amendments published on 13 October 2008. Accordingly reclassifications made on or after 1 November 2008 become effective on the reclassification date and may not be reversed. If the reclassification rules were applied prior to 1 November 2008, the reclassifications may be reversed up to 1 July 2008 or a later date. However, the reclassification rules cannot be applied prior to 1 July 2008. The amendments to IAS 39 were not relevant to the Viscom Group.

Amendments to IAS 39 and IFRS 7: Reclassification of Financial Instruments

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures", summarised in "Reclassification of Financial Assets" were published in October 2008 and adopted under EU law on 15 October 2008. The amendments to IAS 39 and IFRS 7 came into effect retroactively to 1 July 2008. The amendments to IAS 39 permit the reclassification of non-derivative financial assets (with the exception of those for which the fair value option was elected) from the category "at fair value through profit or loss" and, under certain circumstances, the reclassification of assets from the category "available for sale" into the category "loans and receivables". In particular, this affects financial instruments that would originally have met the definition of "loans and receivables" if they were not held for trading and / or not designated as "available for sale". The amendments to IFRS 7 include additional disclosure rules for companies that have reclassified financial assets in accordance with the amendments to IAS 39.

Improvements to IFRS by the Annual Improvement Project

On 22 May 2008 the IASB published a number of amendments to existing IFRS as part of its first annual improvement project. Adoption under EU law followed on 23 January 2009. The amendments incorporate changes to the phrasing of certain IFRS to clarify existing provisions (terminology or editorial changes) and amendments to various IFRS that affect the recognition, measurement and reporting of transactions. Most of the changes apply to financial years beginning on or after 1 January 2009 unless the respective standard specifies otherwise. Prospective application is permitted. The application of the amendments resulting from the improvement project had no material impact on the Viscom Group.

Revised IFRS 1 "First Time Adoption of IFRS"

The revised version of IFRS 1 - First Time Adoption of IFRS was published on 27 November 2008. Adoption under EU law followed on 25 November 2009. The revised IFRS 1 replaces the current IFRS 1 and applies to companies preparing IFRS financial statements for the first time on or after 1 July 2009. The amendments only affect the formal structure of IFRS 1 while the content remains unchanged. The general and specific provisions of the standard were separated since numerous amendments to other standards and new standards made the prior IFRS 1 (rev. 2003) increasingly complex and more difficult to understand. Now the main section includes the general provisions such as the scope, general recognition and measurement provisions while the specific provisions regarding exemptions and exceptions to provisions of specific IFRS are contained in the various appendixes at the end of IFRS 1. The objective is to make the standard clearer and easier to use with the new structure. Earlier application is permitted. The amendments were not relevant to the Viscom Group.

Amendments to IFRS 1 and IAS 27 "Cost of an investment in a subsidiary, jointly-controlled entity or associate"

The changes to IFRS 1 and IAS 27 were published on 22 May 2008, adopted under EU law on 23 January 2009 and are to be applied for the first time to financial years beginning on or after 1 January 2009. The amendments were based on the fact that the retroactive provision regarding the cost of acquisition and the application of the acquisition cost method pursuant to IAS 27 upon the first-time application of IFRS can only be applied at disproportionately high costs in certain cases. This is why first-time users of IFRS will be allowed to use the assumed cost of acquisition to measure the acquisition cost of an investment in subsidiaries, jointly controlled entities in the sense of joint ventures and associated companies. The definition of the acquisition cost method was also removed from IAS 27 and replaced by the requirement to disclose dividends as income in the separate financial statements of the investor; therefore, differentiating between dividends before and after the acquisition is eliminated. An exception was also added for corporate restructuring which specifies that a new parent company has to use the book values of the existing company as the cost of acquisition for the purpose of measurement insofar as there are no changes to the ownership ratios and equity as well as assets and liabilities.

The amendments to IFRS 1 and IAS 27 are relevant to the Viscom Group. They did not have a material impact on the net assets, financial position and results of operations of the Group.

Amendments to IFRS 2 "Share-based Payment: Vesting Conditions and Cancellations"

The amendments to IFRS 2 were published on 17 January 2008, adopted under EU law on 16 December 2008 and are to be applied for the first time to financial years beginning on or after 1 January 2009. The objective of the revisions was to define the terms "vesting conditions" and "cancellations" more precisely. Accordingly vesting conditions only include success and performance-related conditions. Other aspects of a share-based payment do not represent vesting conditions and must be included in the fair value of the share-based payment at the time it is granted. All cancellations, regardless of whether they are effected by the company or other parties, should be accounted for in the same way. The amendments to IFRS 2 were not relevant to the Viscom Group.

Amendment to IFRS 7 "Improving Disclosures about Financial Instruments"

The amendments published on 5 March 2009 include information on establishing fair value and liquidity risk. Adoption under EU law followed on 27 November 2009. In regards to establishing fair value, the reporting requirements were expanded in that a tabular breakdown for each class of financial instruments is required. This is based on the three-tier fair value hierarchy in accordance with US-GAAP SFAS 157. Information regarding liquidity risk was amended in that a classification of disclosures about the maturity of financial liabilities by derivative and non-derivative liabilities is required. The qualitative disclosures on liquidity risk management were also revised.

The provisions are to be applied for financial years beginning on or after 1 January 2009. Earlier application is permitted. However, comparative disclosures are not required in the first year of application. The provisions are relevant to the Viscom Group.

IFRS 8 "Operating Segments"

IFRS 8 was published on 30 November 2006, adopted under EU law on 21 November 2007 and is to be applied for the first time to financial years beginning on or after 1 January 2009. IFRS 8 replaces IAS 14 "Segment Reporting" and is virtually identical to SFAS 131. The former primary and secondary reporting format, which differentiates between operating segments and geographic segments, is given up and a single reporting format is being introduced which defines segments based on the information used by the executive to manage the company. Offsetting and reconciliation is also required for each reportable segment in regards to the segment-specific total profit / loss as well as all corresponding assets and liabilities according to the respective amounts in the company's annual financial statements. Information on geographic regions, products and major customers also has to be disclosed. Vertically integrated supply chains, where a component of a company mainly or exclusively supplies other operating segments of the company, are integrated into the definition of an operating segment if the company is managed in this manner. The provisions of IFRS 8 were relevant to the Viscom Group and are being applied according to the standard.

Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives"

The amendments to IFRIC 9 and IAS 39 were published by the IASB on 12 March 2009 with the intent to clarify the accounting treatment for embedded derivatives when financial instruments are reclassified. Adoption under EU law followed on 30 November 2009. According to the amendments, it is necessary to analyse whether a derivative embedded in a master agreement must be separated and therefore reported separately in the financial statements if the hybrid financial instrument as a whole is reclassified based on the application of the amendment to IAS 39 of October 2008, from the category "at fair value through profit or loss". The analysis is based on the circumstances at the point in time when the company first became a contractual partner under the financial instrument or the point in time when the contract terms and conditions were amended with a material impact on cash flows, whichever comes later.

If the analysis determines that the derivative must be separated but its fair value cannot be reliably determined, the entire hybrid financial instrument remains in the category "at fair value through profit or loss". This also applies if the company is unable to complete the analysis. The amendments are to be applied retroactively to financial years ending on or after 30 June 2009. The amendments to the provisions were not relevant to the Viscom Group.

IFRIC 13 "Customer Loyalty Programmes"

IFRIC 13 was published on 5 July 2007, adopted under EU law on 16 December 2008 is to be applied for financial years beginning on or after 1 July 2008. IAS 18.13 governs the separate application of the recognition criteria to record revenue for each individual business transaction. In order to accurately represent the economic substance of specific business transactions, it is sometimes necessary to apply the recognition criteria to individual, defined elements of a business transaction. Such transactions are also referred to as multi-part contracts and the corresponding revenues are recorded at different points in time. IFRIC 13 now clarifies that customer loyalty programmes that grant loyalty award credits such as points or travel miles for later redemption must be recorded as multi-part contracts. The provisions of IFRIC 13 were not relevant to 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. The interpretation offers guidelines to determine the maximum amount of a defined benefit asset from a defined benefit plan. The application has no impact on the Viscom Group.

IFRIC 15 "Agreements for the Construction of Real Estate"

IFRIC 15 was published on 3 July 2008, adopted under EU law on 22 July 2009 is to be applied for financial years beginning on or after 1 January 2009. IFRIC 15 defines uniform accounting practices in all jurisdictions regarding the recognition of proceeds from the sale of units (e.g. apartments or individual homes) by the construction company before construction is complete. Guidelines are provided for the unique classification of the respective agreement on the construction of real estate under the scope of IAS 11 "Construction Contracts" or IAS 18 "Revenue". The proceeds from construction are recognised at different points in time depending on the classification of the agreement. The provisions of IFRIC 15 were not relevant to the Viscom Group.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation"

IFRIC 16 was published on 3 July 2008, adopted under EU law on 4 July 2009 is to be applied for financial years beginning on or after 1 October 2008. The interpretation refers to IAS 21 "The effects of changes in foreign exchange rates" and IAS 39 "Financial Instruments: Recognition and Measurement", and addresses hedges of a net investment in a foreign operation. It focuses on three issues. For one thing, it specifies that foreign currency exposure may only be designated as a hedged risk if the functional currency of the foreign operation differs from the functional currency of the parent company. On the other hand, the presentation currency in the consolidated financial statements of the parent company does not result in a risk position. Furthermore, a hedging instrument in a hedge of a net investment in a foreign operation may be held by any company within the group. If the investment is sold by the company, the amounts are reclassified from equity to profit or loss for the hedging instrument pursuant to IAS 39, while IAS 21 applies in regards to the underlying transaction (hedged item). The provisions of IFRIC 16 were not relevant to the Viscom Group.

IASB standards and interpretations not applied prematurely

The following IFRS were published by the IASB / IFRIC on or before the reporting date, but only become mandatory in later reporting periods and / or have not been adopted under EU law. In regards to the standards and interpretations that only become mandatory in later reporting periods, the Viscom Group has chosen not to exercise the accounting policy choice of premature application.

Standard/ Interpretation			Mandatory Application for Financial Years from	Adopted by the EU Commission
Standards				
IFRS 1	Separation between the general and specialised provisions of the standard	Governs the first-time application of IFRS	1 July 2009	Yes
IFRS 1	Additional exceptions for first-time users	Retroactive application to certain situations. The objective is to ensure that companies are not forced to bear unnecessary costs or burdens during the transition to IFRS.	1 January 2010	No
IFRS 2	Group cash-settled share-based payment transactions	Clarification that a company receiving goods or services under a share-based payment agreement is required to recognise them, regardless of which entity within the group is responsible for meeting the related obligations or whether these are met in shares or in cash.	1 January 2010	No
IFRS 3 and IAS 27	Business combinations	As a result of the revisions, the scope was expanded to include business combinations of mutual entities and combinations without consideration. Acquisition costs (with some exceptions) must now be expensed. Furthermore, the “full goodwill method” accounting policy choice was introduced.	1 July 2009	Yes
Improvements to IFRS 8 – Amendments of IFRS 5	Subsidiaries held for sale	The amendment clarifies 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” when the entity will retain a non-controlling interest in this former subsidiary after the disposition.	1 July 2009	Yes
IFRS 9	Financial instruments: Classification and impairment of financial assets	Governs the classification and measurement of financial assets. The previous categories “loans and receivables”, “held to maturity”, “available for sale” and “at fair value through profit or loss” will be replaced by the new categories “fair value” and “at amortised cost”.	1 January 2013	No
IAS 24	Related party disclosures	The amendments simplify the disclosure requirements for companies under government control or significant government influence.	1 January 2011	No
IAS 32	Classification of rights issues	According to the amendments, rights issues defined in the standard that are offered for a fixed amount of foreign currency and issued pro rata to an entity’s existing shareholders are no longer classified as derivative liabilities but as equity.	1 February 2010	Yes

Standard/ Interpretation			Mandatory Application for Financial Years from	Adopted by the EU Commission
IAS 39	Financial instruments: Recognition and Measurement: Eligible hedged items	The underlying purpose of the amendments is to offer additional application guidelines for the designation of hedging instruments, since current practices – especially for the treatment of one-sided risk and in regards to accounting for inflation within a hedging transaction – are not uniform.	1 July 2009	Yes
Various	Annual improvement project (2009)	Amendments to ten IFRS and two interpretations. The amendments mainly serve to clarify the presentation, recognition and measurement of end-of-year items.	Mainly 1 January 2010	No
Interpretations				
IFRIC 12	Service concession arrangements	Accounting rules for rights and obligations arising from service concession arrangements for companies offering public services, e.g. the construction of roads or airports, on behalf of a grantor such as the government or other public sector entity.	1 April 2009	Yes
IFRIC 14	Notes on IFRIC 14: Minimum funding requirements	If an entity is subject to minimum funding requirements and makes prepaid contributions to meet these obligations, the amendment allows these prepayments to be reported as an asset.	1 January 2011	No
IFRIC 17	Distributions of non-cash assets to owners	Governs how a company has to measure non-cash assets as cash and cash equivalents when they are distributed to owner’s dividends.	1 July 2009	Yes
IFRIC 18	Transfers of assets from customers	Contains additional information on accounting for the transfer of assets from customers. Affects the energy sector in particular.	1 July 2009	Yes
IFRIC 19	Extinguishing financial liabilities with equity instruments	Explains the application of IFRS in case a company extinguishes a financial liability, in whole or in part, by issuing shares or other equity instruments (so-called “debt for equity swaps”).	1 July 2010	No

The Viscom Group expects that the application of the standards and / or interpretations published on or before the reporting date but not yet in force will have no material impact on the net assets, financial position and results of operations of the Group.

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

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 2009. 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 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:

Name	Headquarters	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

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 accounting and measurement principles

The applied accounting and measurement 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.

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 quantified 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.

To calculate use value, management estimates the expected future cash flow from the asset or cash-generating unit and selects a discount rate to determine the present value of this cash flow. 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 and measurement principles

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 recognised at cost. This is calculated as the excess of the cost of the business combination, including incidental transaction costs, 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. In particular, the Company must intend to complete the development project and also possess the required technical, financial and other resources. Furthermore, the Company must be in a position to use or dispose of the intangible asset and derive an economic advantage from the same. Viscom capitalises development costs when these criteria are cumulatively met and the development costs can be measured reliably.

Viscom has five submitted patents. With the exception of registering a patent in Taiwan, none of these patents were issued as of 31 December 2009.

Property, plant and equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and accumulated impairment losses. Gains and losses from derecognising property, plant, and equipment are calculated as the difference between the net proceeds from the sale of an asset and the carrying amount, and are recognised in 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 test completed this year indicates that an impairment loss needs to be recorded for goodwill and other capitalised purchase costs related to the acquisition of the MX product line for the inspection of semiconductor products from Phoseon Technology Inc. in Portland, USA. 100 % of the impairment loss was recorded.

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. After initial recognition, different measurement methods apply to the various categories of financial assets and liabilities. These are described as part of the accounting policies for the respective balance sheet items. 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.

As the Group operates internationally, it is subject to market risks arising from changes in exchange rates. In the 2009 financial year, the Group did not employ any derivative financial instruments for reducing these risks since revenues in US dollars were very low.

Interest-bearing loans from Viscom to third parties are initially carried at the cost of acquisition less issuing costs. After initial recognition, interest-bearing loans are measured at amortised cost in accordance with the effective interest method. The same applies to the subsequent measurement of financial instruments held to maturity.

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 acquisition or production 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, auxiliary materials and supplies intended for production are written off completely in case of inventory coverage for more than one 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 uncollectible 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 from 29 July 2008 to 31 March 2009, Viscom AG bought back 134,940 of its own shares. This corresponds to around 1.5 % 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 € 4.33 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. Please see P7-P10 for further explanations.

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 quantified 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 and tax balance sheet of the individual companies, temporary differences resulting from consolidation processes and utilisable loss carry forwards.

This is based on the tax rates that are expected to apply in the respective countries at the realisation date. These are based on the statutory regulations valid or adopted at the reporting date. A tax rate of 32 %, as in the previous year, was used for the calculation of deferred taxes in Germany.

The carrying value of deferred tax assets is verified at the respective reporting date. Deferred taxes are only recorded to the extent they are expected to be realised based on future positive results.

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. In these consolidated financial statements, corresponding setoffs were recorded at the individual company level.

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 2009.

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.

In the case of services, 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 - except in case of qualified assets pursuant to IAS 23.

Interest

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

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 arising from business transactions in foreign currencies are generally recorded through profit or loss. 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 2009	1 SGD = x CNY	1 EUR = x SGD	1 EUR = x USD
Closing rate	4.8703	2.0194	1.4406
Average rate	4.7071	2.0241	1.3948

Translation exchange rates 2008	1 SGD = x CNY	1 EUR = x SGD	1 EUR = x USD
Closing rate	4.7383	2.0040	1.3917
Average rate	4.9242	2.0762	1.4708

Notes to the Consolidated Statement of Income and Accumulated Earnings

(G1) Revenue

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

Breakdown of revenue	2009 K€	2008 K€
Construction and delivery of machines	15,423	41,731
Services/replacement parts	4,826	7,425
Rentals	625	759
Total	20,874	49,915

(G2) Other operating income

Other operating income is composed of the following items:

Breakdown of other operating income	2009 K€	2008 K€
Income from the release of other provisions for warranties and repairs	1,251	384
Income from the release of other provisions	102	1,290
Non-monetary remuneration	360	334
Income from the reimbursement of short-time allowance	299	0
Income from exchange rate differences	182	695
Income from receivables previously written off	92	18
Insurance recoveries	70	16
Income from sales of assets	10	0
Income from the derecognition of liabilities, Phoseon	366	273
Miscellaneous other operating income	385	145
Total	3,117	3,155

Non-monetary remuneration, which has a corresponding offsetting item under staff costs, results from the taxation of non-monetary benefits such as the private use of company cars.

The increase in income from the release of provisions for warranties and repairs is the result of lower revenue.

(G3) Changes in finished goods and work in progress inventories

Changes in finished goods and work in progress include the inventory-based manufacturing costs for finished and partially completed machines. The net value of these machines and assemblies is € 6,256 thousand (previous year: € 12,905 thousand) at a cost of € 13,531 thousand (previous year: € 18,930 thousand) and corresponding value adjustment of € 7,275 thousand (previous year: € 6,025 thousand).

(G4) Other own work capitalised

Company-produced assets for new developments were capitalised for the first time in the 2009 financial year at the amount of € 862 (previous year: € 0 thousand). The developments mainly relate to software and new systems.

(G5) Cost of materials

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

Cost of materials	2009 K€	2008 K€
Materials including incidental costs of acquisition	5,256	19,445
Purchased services	273	562
Total	5,529	20,007

Additional expenditures for the value adjustment of slow movers had a major impact on the material usage ratio.

(G6) Staff costs

Staff costs comprise salaries and employer social security contributions:

Staff costs	2009 K€	2008 KT€
Wages and salaries, incl. bonuses and management bonuses	12,643	17,662
Social security contributions	2,625	3,027
Total	15,268	20,689
Number of employees (average for the year)	319	402
Number of trainees (average for the year)	11	14
Total	330	416

In the period under review, payments were made to defined contribution pension plans in the amount of € 1,063 thousand (previous year: € 1,425 thousand).

(G7) Depreciation and amortisation expense

Information on depreciation and amortisation expense can be found in note A6 for the balance sheet assets.

(G8) Other operating expenses

Other operating expenses can be broken down as follows:

Other operating expenses	2009 K€	2008 K€
General and administrative costs	2,790	3,196
Rents/leases	1,690	1,734
Selling expenses	1,313	1,878
Value adjustment on receivables and losses on receivables	855	517
Travel expenses	887	2,698
Outgoing shipments	322	778
Warranty/repair expenses	238	561
Expenses due to exchange rate differences	198	546
Expenses due to value adjustments Phoseon receivable	150	0
Total	8,443	11,908

Selling expenses decreased by € 565 thousand compared to the previous year, partly due to lower advertising expenses and other representation costs included under selling expenses. The decrease in general and administrative expenses was mainly due to a drop in legal and consulting fees.

(G9) Financial result

Thanks to investments at fixed interest rates, interest revenue is significantly higher compared to the previous year. The financial result is € 618 thousand (previous year: € 314 thousand).

(G10) Income taxes

Taxes on income for the financial years ending 31 December 2009 and 2008 contain the following income and expense items:

Income taxes	2009 K€	2008 K€
Actual taxes on income for the past financial year	27	131
Actual taxes on income for previous years	22	495
Deferred taxes on income from the accrual and reversal of temporary differences	393	-191
Income tax expense reported in the consolidated income statement	**442**	**435**

Actual taxes on income for the past financial year relate exclusively to foreign subsidiaries in France and Singapore.

The actual taxes on income for previous years in the amount of € 22 thousand are the result of expenses (€ 293 thousand) for additional taxes levied following the audit of Viscom AG concluded in 2009 for the assessment periods up to and including 2005 and the earnings (€ -271 thousand) due to the carry-back of a tax loss for the American subsidiary from 2009 to 2008.

The deferred taxes on income resulted exclusively from changes in the temporary differences between the IFRS and tax balance sheets at the level of the German and American company. A reduction in the deferred tax asset through profit and loss is caused by a reversal effect for tax purposes in the inventory of Viscom AG. Furthermore, a deferred tax liability is the result of development costs which were only capitalised in the IFRS financial statements.

The distribution of dividends to shareholders did not affect income taxes at the level of Viscom AG.

The reconciliation from the expected to the reported income tax expense is based on the tax rate of the parent company (previous year: average corporate tax rate), as follows:

Reconciliation of income tax expense	2009 K€	2008 K€
Consolidated net profit before taxes	-13,275	-1,272
Anticipated tax income / expense based on 32.00 % (previous year: 29.16 %)	-4,248	-371
Difference compared to the corporate tax rate	37	-59
Non-capitalised deferred taxes on tax loss carry-forwards	4,625	288
Prior-period tax expense for previous years resulting from the audit	293	630
Tax earnings from loss carry-back to previous year	-271	-135
Recognition of deferred tax assets for other accounting periods	0	-41
Non-deductible expenses	71	110
Other	-65	13
Actual tax expense	**442**	**435**

Non-deductible expenses largely consist of trade tax additions according to section 8 (1) of the Trade tax Act (GewStG) and expenses for Supervisory Board compensation pursuant to section 10 (4) of the Corporate Tax Act (KStG). The deferred tax assets and liabilities apply to the following items:

Deferred tax liabilities	Consolidated balance sheet		Consolidated income statement	
	2009 K€	2008 K€	2009 K€	2008 K€
Intangible assets	272	21	-251	6
Measurement of property, plant and equipment	0	0	0	30
Construction contract receivables	212	252	40	-121
Measurement of trade receivables	21	20	-1	-20
Measurement of provisions	0	0	0	2
Gross amount	**505**	**293**	**-212**	**-103**
Netting out	-505	-293	0	0
Net amount	**0**	**0**	**0**	**0**

Deferred tax assets	Consolidated balance sheet		Consolidated income statement	
	2009 K€	2008 K€	2009 K€	2008 K€
Goodwill	0	20	-20	-6
Measurement of property, plant and equipment	22	18	4	18
Inventories	538	772	-234	724
Measurement of trade receivables	129	45	84	45
Measurement of provisions	203	220	-17	-376
Deferred taxes from elimination of intercompany profits	5	31	-26	0
Currency translation gains/losses	14	1	13	-111
Other receivables and assets	0	0	0	0
Gross amount	**911**	**1,107**	**-196**	**294**
Netting out	-505	-293	0	0
Net amount	**406**	**814**	**0**	**0**

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 Company budget. All changes to deferred taxes in 2009 were, similar to the previous year, recorded in income.

No deferred taxes were capitalised for the tax loss carry-forwards of Viscom AG, Hanover and the subsidiary in Singapore as of 31 December 2009. The corporate and trade tax loss carry-forwards of Viscom AG at the end of the year under review for which deferred tax assets were not recorded amount to € 20,434 thousand and € 20,552 thousand, respectively (previous year: € 7,210 thousand and € 7,501 thousand). The tax loss carry-forwards for the subsidiary in Singapore amount to € 880 thousand (previous year: € 0 thousand). There is no legal time limit for using these domestic and foreign tax loss carry-forwards.

Also, no deferred tax liabilities were recognised for retained profits amounting to € 901 thousand (previous year: € 2,191 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 timing 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 of the Corporate Tax Act (KStG).

(G11) Earnings per share

The share buy-back programme (134,940 shares) reduced the number of dividend-bearing shares from 9,020,000 shares to 8,885,060 shares as of 31 December 2009. The bought back shares are not dividend-bearing shares and have no dividends, and are therefore excluded from the computation of earnings per share for the 2009 financial year. Therefore they are not included in the calculation of earnings per share for the 2009 financial year. That is why the earnings calculation per share for 2009 was based on fewer shares.

On the basis of 8,885,748 shares as an average for the year, earnings per share for the 2009 financial year amounted to € -1.54 (diluted and undiluted). In the previous year, earnings per share amounted to € -0.19 (diluted and undiluted), calculated on the basis of 8,979,542 shares. Earnings on which the calculation is based (diluted and undiluted) totalled € -13,717 thousand (previous year: € -1,707 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 € 25,322 thousand (previous year: € 26,254 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 € 139 thousand (previous year: € 20 thousand). Cumulative value adjustments on receivables totalled € 1,101 thousand (previous year: € 710 thousand). This includes a blanket value adjustment amounting to € 81 thousand (previous year: € 383 thousand). Value adjustments recognised in income under other operating expenses amount to € 1,005 thousand in the 2009 financial year (previous year: € 517 thousand).

Some customers were late in meeting their payment obligations in 2009. There were payments of € 37 thousand (previous year: € 18 thousand) for receivables written off and derecognised.

Construction contracts

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

Amount due from customers for contract work	2009 K€	2008 K€
Contract revenue recognised in the period under review	664	789
Contract costs	194	356
Amount due from customers for contract work	470	433

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.

(A3) Current income tax assets

Current income tax assets as of 31 December 2009 mainly consist of a claim for corporate tax and trade tax reimbursement by Viscom AG in the amount of € 876 thousand due to excessive prepayments for the 2009 assessment period (previous year: € 3,993 thousand due to prepayments for the 2007 and 2008 assessment periods).

(A4) Inventories

Inventories	2009 K€	2008 K€
Raw materials and supplies	2,243	5,128
Assemblies and partially completed systems	1,989	6,957
Completed systems	4,267	5,948
Total	8,499	18,033

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 progress). All inventories, especially those of completed and partially completed systems, were dramatically reduced in 2009.

The cumulative impairment loss at year end is € 5,158 thousand (previous year: € 2,512 thousand) on raw materials, auxiliary materials and supplies, € 2,372 thousand (previous year: € 1,083 thousand) on partly completed systems and assemblies and € 4,903 thousand (previous year: € 4,942 thousand) on completed systems.

(A5) Other receivables and assets

Other receivables and assets	2009 K€	2008 K€
Bonds	500	0
Receivables from the employment office for short-time allowance	149	0
Security deposits for leases / duties	146	93
Interest receivable on corporate bonds	73	0
Creditors with debit balances	28	58
Subtotal of other financial receivables	**896**	**151**
Advance payments	417	343
Miscellaneous assets	86	177
Receivable from trust account, transition company	72	0
Other receivables	58	228
Deductible input tax (Spain)	7	10
Other assets	**640**	**758**
Total	**1,536**	**909**

Please see note A9 for information on the bonds.

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

Intangible assets in K€	Patents and similar rights and assets	Software	Goodwill	Advanced payments for intangible assets	Development costs	Total intangible assets
Net carrying amount as of 01.01.2009	1,990	137	15	629	0	2,771
Additions	0	73	0	30	862	965
Reclassification	0	629	0	-629	0	0
Disposals	0	0	0	0	0	0
Depreciation/amortisation of disposals	0	0	0	0	0	0
Depreciation/amortisation for the current year	1,990	226	15	0	0	2,231
Exchange differences	0	0	0	0	0	0
Net carrying amount as of 31.12.2009	0	613	0	30	862	1,505
01.01.2009						
Cost	2,288	837	15	629	0	3,769
Accumulated depreciation/amortisation	298	700	0	0	0	998
Net carrying amount	1,990	137	15	629	0	2,771
31.12.2009						
Cost	2,288	1,539	15	30	862	4,734
Accumulated depreciation/amortisation	2,288	926	15	0	0	3,229
Net carrying amount	0	613	0	30	862	1,505

Property, plant and equipment in K€	Leasehold improvements	Technical equipment and machinery	Operating and office equipment	Vehicles	Total property, plant and equipment	Total property, plant and equipment and intangible assets
Net carrying amount as of 01.01.2009	506	268	980	186	1,940	4,711
Additions	8	0	76	0	84	1,049
Disposals	0	24	134	74	232	232
Depreciation/amortisation of disposals	0	-19	-131	-67	-217	-217
Depreciation/amortisation for the current year	130	83	355	59	627	2,858
Exchange differences	-3	0	-3	-3	-9	-9
Net carrying amount as of 31.12.2009	381	180	695	117	1,373	2,878
01.01.2009						
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
31.12.2009						
Cost	1,247	887	2,518	375	5,028	9,762
Accumulated depreciation/amortisation	866	707	1,823	258	3,655	6,884
Net carrying amount	381	180	695	117	1,373	2,878

Intangible assets in K€	Patents and similar rights and assets	Software	Goodwill	Advanced payments for intangible assets	Total intangible assets
Net carrying amount as of 01.01.2008	**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 31.12.2008	**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 in K€	Leasehold improve-ments	Technical equipment and machi-nery	Operating and office equipment	Vehicles	Total property, plant and equipment	Total pro-perty, plant and equip-ment and intangible assets
Net carrying amount as of 01.01.2008	**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 31.12.2008	**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**

Patents and similar rights as well as assets such as customer relationships and expertise capitalised following the acquisition of the MX product family were written off in the amount of € 1,777 thousand (previous year: € 0 thousand) during the 2009 financial year. This unplanned write-off was based on the impairment test. The capitalised goodwill was also written off in full. Value in use was calculated using the DCF method (Discounted Cash Flow) taking WACC (Weighted Average Cost of Capital) into consideration as a discount factor. WACC amounted to 14.02 %. Growth assumptions were not used. The calculation is based on a detailed planning period of four years. As opposed to the previous year, the company now expects negative EBIT in this business area. This resulted in the unplanned write-off for the full amounts. This write-off (including goodwill) was assigned to Europe as the geographic segment and "Optical Special Inspection Systems" as the operating segment.

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 € 4,423 thousand (previous year: € 1,767 thousand).

Development costs were capitalised for the first time during the period under review. With the implementation of a new ERP system in the 2009 financial year, the ability to document development costs applicable to specific development projects was established for the first time. Research and development costs for series products totalled approximately € 2,900 thousand in 2009.

(A7) Goodwill

Goodwill of € 15 thousand, derived in 2007 as the residual from the purchase of the MX product family, was subject to an impairment test in the 2009 financial year and was written off in full. Value in use was calculated using the DCF method (Discounted Cash Flow) as described under A6-A8.

(A9) Financial investments / loans and securities for rent granted by the Company

Corporate bonds with a remaining term between one and two years and an acquisition cost of € 2,159 thousand were acquired over the course of the financial year. The short-term bonds are reported under other financial receivables at the amortised cost of € 500 thousand. The long-term bonds are reported under financial investments at the amortised cost of € 1,647 thousand. The company plans to hold the bonds to maturity based on the current high yield. The fair value of the corporate bonds as of 31 December 2009 amounted to € 2,155 thousand.

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

The loans were recognised at amortised cost, totalling € 26 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' Equity and Liabilities

(P1) Trade payables

Trade payables are carried at the repayment amount. 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) Advance payments received

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

(P3) Provisions

Breakdown of other provisions	01.01.2009 K€	Additions K€	Dissolution K€	Utilisation K€	Compounding K€	31.12.2009 K€
Current provisions						
Provision for warranties / repairs	2,203	194	1,251	134	0	1,012
Provisions for reimbursement payments	442	0	15	0	0	427
Total current provisions	2,645	194	1,266	134	0	1,439
Non-current provisions						
Anniversary provisions	161	28	36	5	8	156
Provisions for warranties	104	62	51	43	3	75
Total non-current provisions	265	90	87	48	11	231
Total Provisions	2,910	284	1,353	182	11	1,670

Current 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 decreased significantly compared to the previous year due to the decline in revenue.

USD 615 thousand (€ 427 thousand, previous year: € 424 thousand) was retained for a potential reimbursement to a bankrupt customer in the USA at Viscom Inc., USA. The decrease in this amount during the year resulted from exchange rate fluctuations.

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

Anniversary provisions amounting to € 156 thousand (previous year: € 161 thousand) and the long-term component of warranty provisions in the amount of € 75 thousand (previous year: € 104 thousand) are included in the non-current provisions. A claim is anticipated for warranty provisions within twelve to 36 months and for the anniversary provision within twelve to 300 months.

(P4) Current income tax liabilities

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

(P5) Other current and financial liabilities

Other current and financial liabilities are composed of the following items:

Other current and financial liabilities	2009 K€	2008 K€
Commission payments to agents	504	797
Management bonuses, incentives, one-time payments	147	341
Debtors with a credit balance	4	0
Social security	146	253
Outstanding purchase invoices	12	291
Supervisory Board	28	45
Anticipated revenue-dependent purchase price component from the company acquisition	0	97
Subtotal of other financial liabilities	**841**	**1,824**
Holiday, overtime	508	936
Taxes	420	467
Other	178	356
Subtotal of other current liabilities	**1,106**	**1,759**
Total	**1,947**	**3,583**

The item “Other financial liabilities” includes current liabilities in the form of, for example, unpaid bonuses to employees and commission payments for which agents are already eligible but which are only due on receiving customer payment, or outstanding invoices, i.e. the goods were already delivered and recorded but the accompanying invoice was not presented by the turn of the year.

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 payments.

(P6) Other non-current liabilities

Other non-current liabilities contain the non-current revenue-dependent purchase price component from the acquisition of the MX product family totalling € 268 thousand for the previous year.

(P7 to P10) 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 a buy-back of its own shares over the stock exchange since that date. 10,018 shares (previous year: 124,922 shares) were acquired under this programme in the 2009 financial year for a total of € 26 thousand (previous year: € 561 thousand) including incidental acquisition costs for an average price per share of € 2.59 (previous year: € 4.47). The share buyback programme reduced the number of dividend bearing shares from 9,020,000 shares to 8,885,060 shares as of 31 December 2009.

No dividend was distributed to the shareholders in the 2009 financial year for the 2008 financial year (previous year: € 2,706 thousand; € 0.30 / share).

No dividend will be paid for the 2009 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.

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 through the issue of up to 4,500,000 new no-par value bearer shares against cash or non-cash contributions (authorised capital).

Segment Information

Disclosures on the Group's geographic segments by sales market	Europe		Asia		Americas		Consolidation		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	K€	K€	K€	K€	K€	K€	K€	K€	K€	K€
External sales	16,945	34,629	1,470	6,643	2,459	8,643	0	0	20,874	49,915
Segment result	-12,348	-1,220	-641	-767	-904	392	0	9	-13,893	-1,586
plus financial result	0	0	0	0	0	0	0	0	618	314
less income taxes	0	0	0	0	0	0	0	0	-442	-435
Consolidated net profit									**-13,717**	**-1,707**
Segment assets	42,639	56,220	1,758	3,419	2,149	2,924	-2,194	-2,437	44,352	60,126
plus financial assets	4,222	2,073	0	0	17	18	-2,017	-2,004	2,222	87
plus deferred taxes and current income tax assets	0	0	0	0	0	0	0	0	1,544	4,806
Total assets									**48,118**	**65,019**
Segment liabilities	4,147	6,457	626	1,385	2,227	1,794	-2,388	-2,278	4,612	7,358
plus financial assets	231	533	0	0	0	256	0	-256	231	533
plus deferred taxes and tax provisions	0	0	0	0	0	0	0	0	433	451
Total liabilities									**5,276**	**8,342**
Investment	1,039	822	0	32	9	30	0	0	1,048	884
Depreciation/amortisation	2,698	868	85	70	109	107	-34	0	2,858	1,045

The geographic segments form the basis of internal reporting used by Group Management since the risks and rates of return of the Group are mainly influenced by differences between sales regions. Services are generally settled between the segment Europe and the other segments based on transfer prices. The operating segments provide supplementary internal information for management. The geographic 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		Total	
	2009 K€	2008 K€	2009 K€	2008 K€	2009 K€	2008 K€	2009 K€	2008 K€
External sales	16,297	40,003	1,761	4,165	2,815	5,747	20,874	49,915
Segment assets	34,628	46,445	3,742	6,758	5,982	6,923	44,352	60,126
Investments	818	709	88	73	141	102	1,048	884

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. On the other hand, 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. The revenue and investments for "Semiconductor inspection systems" reported separately in the previous year are now reported under "Optical special inspection systems" based on the integration of the formerly independent IP business area into the NP business area starting with the 2009 financial year. The segment assets were written off in full based on the results of the impairment test conducted in 2009.

Viscom generated approximately 31 % (previous year: 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.

Segment Cash Flow Statement

Cash flow statement	Europe 2009 K€	Asia 2009 K€	Americas 2009 K€	Consoli-dation 2009 K€	Total 2009 K€
Cash flow from operating activities					
Net profit for the period after interest and taxes	-12,538	-644	-535	0	-13,717
Adjustment of net profit for income tax expense (+)	815	-20	-379	26	442
Adjustment of net profit for interest expense (+)	139	0	14	-14	139
Adjustment of net profit for interest income (-)	-763	-3	-5	14	-757
Adjustment of net profit for depreciation and amortisation expense (+)	2,698	85	109	-34	2,858
Increase (+) / Decrease (-) in provisions	-1,024	0	-51	-131	-1,206
Gains (-) / losses (+) on the disposal of non-current assets	2	1	-3	0	0
Increase (-) / decrease (+) in inventories, receivables and other assets	13,129	558	184	8	13,879
Increase (+) / Decrease (-) in liabilities	-2,412	-806	297	117	-2,804
Income taxes repaid (+) / paid (-)	2,918	15	-10	0	2,923
Net cash used in/from operating activities	**2,964**	**-814**	**-379**	**-14**	**1,757**
Cash flow from investing activities					
Proceeds (+) from the disposal of non-current assets	10	0	5	0	15
Acquisition (-) of property, plant and equipment and non-current intangible assets	-159	-18	-9	0	-186
Acquisition (-) of non-current financial investments	-2,185	0	0	0	-2,185
Capitalisation of development costs (-)	-862	0	0	0	-862
Interest received (+)	575	3	5	0	583
Net cash from/used in investing activities	**-2,621**	**-15**	**1**	**0**	**-2,635**
Cash flow from financing activities					
Expenditures for acquisition of own shares (-)	-26	0	0	0	-26
Interest paid (-)	0	0	-14	14	0
Changes in net cash from financing activities	**-26**	**0**	**-14**	**14**	**-26**
Changes in cash and cash equivalents due to changes in interest rates	0	-18	-10	0	-28
Cash and cash equivalents					
Changes in cash and cash equivalents	317	-829	-392	0	-904
Cash and cash equivalents at 1 January	23,405	1,772	1,077	0	26,254
Total cash and cash equivalents	**23,722**	**925**	**675**	**0**	**25,322**

Other Disclosures

Disclosures regarding financial instruments and financial risk management

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

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 31.12.2009 Amounts in K€	Measurement category	Total		Nominal value Liquid assets / cash reserve		Amortised cost Loans and receivables (LaR) as well as financial instruments held to maturity (HTM)	
		Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Financial investments and current financial assets	HTM	2,170	2,178	0	0	2,170	2,178
Other financial assets	LaR	448	448	0	0	448	448
Trade receivables	LaR	6,618	6,618	0	0	6,618	6,618
Liquid assets	LaR	25,322	25,322	25,322	25,322	0	0
Total		34,558	34,566	25,322	25,322	9,236	9,244

Liabilities 31.12.2009 Amounts in K€	Measure-ment category	Total		Amortised cost			
				Financial liabilities (FL)		Loans and receivables (LaR)	
		Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Trade payables	FV	738	738	738	738	0	0
Other financial liabilities	FV	841	841	841	841	0	0
Total		1,579	1,579	1,579	1,579	0	0

Assets 31.12.2008 Amounts in K€	Measure-ment category	Total		Nominal value		Amortised cost	
				Liquid assets / cash reserve		Loans and receivables (LaR)	
		Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Other financial assets	LaR	238	238	0	0	238	238
Trade receivables	LaR	10,218	10,218	0	0	10,218	10,218
Liquid assets	LaR	26,254	26,254	26,254	26,254	0	0
Total		36,710	36,710	26,254	26,254	10,456	10,456

Liabilities 31.12.2008 Amounts in K€	Measure-ment category	Total		Amortised cost			
				Financial liabilities (FL)		Loans and receivables (LaR)	
		Book Value	Fair Value	Book Value	Fair Value	Book Value	Fair Value
Trade payables	FV	815	815	815	815	0	0
Other financial liabilities	FV	2,092	2,092	2,092	2,092	0	0
Total		2,907	2,907	2,907	2,907	0	0

The fair value option is not applied. At the reporting date, there were no financial instruments in the category "held for trading purposes".

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 € 757 thousand resulted from liquid assets and bonds in the 2009 financial year (previous year: € 589 thousand). Corporate bonds with a remaining term between one and two years and an acquisition cost of € 2,159 were acquired over the course of the financial year. The short-term bonds are reported under other financial receivables at the amortised cost of € 500 thousand. The long-term bonds are reported under financial investments at the amortised cost of € 1,647 thousand. The company plans to hold the bonds to maturity based on the current high yield. The residual value of the corporate bonds was € 2,155 thousand as of 31 December 2009. The value adjustment of trade receivables at € 1,005 thousand (previous year: € 517 thousand) was recognised in income in the 2009 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 2009, Viscom had total receivables amounting to € 2.7 million owed by numerous individual customers who are part of two major corporations. The Company currently considers the default risk for its receivables portfolio to be higher compared to the previous year and has made corresponding value adjustments on specific items.

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 a 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.

Age structure of financial assets 31.12.2009 Amounts in K€	Gross amount	Not overdue	Overdue in the following time frames				
			< 30 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Financial investments and current financial assets	2,170	2,170	0	0	0	0	0
Other financial assets	448	448	0	0	0	0	0
Trade receivables	7,719	4,716	777	303	67	873	983
Total	**10,337**	**7,334**	**777**	**303**	**67**	**873**	**983**

Age structure of financial assets 31.12.2008 Amounts in K€	Gross amount	Not overdue	Overdue in the following time frames				
			< 30 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Other financial assets	238	238	0	0	0	0	0
Trade receivables	10,928	3,120	2,373	1,068	908	1,945	1,514
Total	**11,166**	**3,358**	**2,373**	**1,068**	**908**	**1,945**	**1,514**

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.

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 31.12.2009 Amounts in K€	Book Value	Remaining Term		
		< 1 Year	1 to 5 Years	> 5 Years
Trade payables	738	738	0	0
Other financial liabilities	841	841	0	0
Total	1,579	1,579	0	0

Remaining Contractual Terms 31.12.2008 Amounts in K€	Book Value	Remaining Term		
		< 1 Year	1 to 5 Years	> 5 Years
Trade payables	815	815	0	0
Other financial liabilities	2,092	1,824	268	0
Total	2,907	2,639	268	0

There were no gross outflows.

Exchange rate risk

As Viscom operates internationally, the Group is also exposed to exchange risk risks. Around 7 % 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 2009, net receivables relevant to the exchange rate totalled € 1.9 million. It includes both the receivables portfolio of Viscom AG in US dollars and the receivables portfolio of the subsidiaries in euros. With a change of 5 %, the exchange rate risk recognised in income amounts to around 1.4 % of total 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 activities primarily from shareholders' equity.

Use of derivative financial instruments

Viscom did not use derivative financial instruments for the purpose of hedging exchange rate and interest risks in the 2009 financial year due to fluctuations in the value of the US dollar and the low transaction volume in US dollars.

Development of acquisitions in the 2009 financial year

By agreement dated 23 August 2007, Viscom AG acquired from Phoseon Technology Inc. in Portland, USA, the MX product family for the inspection of semiconductor products. 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. The full amount of acquisition costs originally capitalised was written off at year-end based on the results of the impairment test that was conducted.

Related party disclosures

The board members and other related parties listed below are related parties within the meaning of IAS 24:

Executive Board:

Dr. Martin Heuser

Volker Pape

Ulrich Mohr

Total remuneration of € 514 thousand was paid to the Executive Board in the financial year. The allocation between the three members of the Executive Board is as follows:

Supervisory Board:

Bernd Hackmann (Chairperson)

Member of the board of directors, LPKF Laser & Electronics Inc., Tualatin/USA

Klaus Friedland (Deputy Chairperson)

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.

Executive Board	Fixed Remuneration* K€	Variable Remuneration K€	Total Remuneration 2009 K€	Total Remuneration 2008 K€
Dr. Martin Heuser	166	0	166	182
Volker Pape	173	0	173	186
Ulrich Mohr	175	0	175	180
Total	**514**	**0**	**514**	**548**

* including non-cash benefits (motor vehicle)

Due to the poor annual profit, no variable remuneration was paid in the current or previous year.

The members of the Executive Board, Dr. Heuser and Mr. Pape, each directly hold 255,000 Viscom AG shares. They also hold 4,992,395 Viscom AG shares via HPC Vermögensverwaltung GmbH. Mr. Mohr, member of the Executive Board, holds 60,000 Viscom AG shares.

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 2009.

Supervisory Board member Prof. Dr. Liedtke holds 1,621 shares in Viscom AG.

Related parties

HPC Vermögensverwaltung GmbH holds an interest of 55.35 % in Viscom AG as of 31 December 2009. HPC Vermögensverwaltung GmbH is therefore both an affiliated company and the parent company of Viscom AG.

Viscom AG has also concluded lease contracts for Company vehicles with HPC Vermögensverwaltung GmbH. In 2009, HPC Vermögensverwaltung GmbH was appointed for the first time to provide further services such as Company childcare, cleaning services and other miscellaneous services.

		Services of related parties K€	Liabilities to related parties K€
From lease contracts:			
HPC Vermögensverwaltung GmbH	2009	77	0
	2008	104	0
From services:			
HPC Vermögensverwaltung GmbH	2009	118	0
	2008	0	0
From rentals:			
HPC Vermögensverwaltung GmbH	2009	360	0
	2008	360	0
Marina Hettwer/Petra Pape GbR	2009	165	0
	2008	165	0
Dr. Martin Heuser/Petra Pape GbR	2009	447	0
	2008	436	0

The future lease obligations (off-balance-sheet transactions) by period are as follows:

Lease obligations for company cars	2009 K€	2008 K€
Total	**628**	**907**
of which to HPC Vermögensverwaltung GmbH (related party)	166	220
within one year of the reporting date	**313**	**344**
of which to HPC Vermögensverwaltung GmbH (related party)	77	87
within more than one year but less than five years of the reporting date	**315**	**563**
of which to HPC Vermögensverwaltung GmbH (related party)	89	133
within more than five years of the reporting date	**0**	**0**

The future services for the following periods are:

Services	2009 K€	2008 K€
Total	**104**	**0**
of which to HPC Vermögensverwaltung GmbH (related party)	104	0
within one year of the reporting date	**104**	**0**
of which to HPC Vermögensverwaltung GmbH (related party)	104	0
within more than one year but less than five years of the reporting date	**0**	**0**
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) and one property in Fränkischen Straße (FS) in Hanover between the Company and Dr. Martin Heuser/Petra Pape GbR*, Hanover, Marina Hettwer/Petra Pape GbR**, Hanover and HPC Vermögensverwaltung GmbH***, Hanover.

Compared to the previous year rental obligations are unchanged in terms of amount.

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 11*	01.08.2001	10 years	22,500	270,000
	FS 28*	01.11.2008	5 years	2,200	26,400
	CBS 10***	01.03.2002	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
	CBS 9*	01.01.2001	10+10 years	5,000	60,000
	CBS 13*	01.01.2001	10+10 years	6,500	78,000
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					2,470,300
Total rental obligations with a remaining lease term of more than five years					1,529,875

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, a shareholder of Viscom AG holding more than 10 % of the Company's shares.

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 other rented properties in Hanover, the USA, France, Singapore and Shanghai are also leased from third parties.

Agreements with third parties

Agreements with remaining terms of	Office	Start of lease	Lease term	Net rent, monthly (€)	Net rent, annual (€)
expired in 2009	Hanover CBS 7	01.01.2005	3 months	1,576	18,912
one year or less	Munich	15.03.2007	3 years	1,110	13,320
	Singapore	01.03.2009	12 months	1,585	19,020
	Singapore	01.12.2008	2 years	5,636	67,632
	USA, San Jose	01.12.2006	40 months	949	11,388
	France	01.09.2004	6 years	2,050	24,600
	Shanghai	01.01.2009	2 years	3,559	42,708
between one and five years	Singapore	01.07.2009	2 years	2,971	35,652
	USA Atlanta	01.10.2006	5,5 years	4,872	58,464
Total rental obligations with a remaining lease term of one year or less					236,362
Total rental obligations with a remaining lease term of between one and five years					90,906
Total rental obligations with a remaining lease term of more than five years					0

Purchase commitments

Purchase commitments amounted to around € 66 thousand as of 31 December 2009.

Events after the balance sheet date

No significant events occurred after the end of the 2009 financial year.

German Corporate Governance Code

The Executive Board and Supervisory Board of Viscom AG submitted the annual Compliance Statement, according to section 161 of the German Stock Corporation Act (AktG), in February 2010. It has been published and is permanently accessible on the Viscom AG website.

Auditors' fees

The total fees paid to the auditors of the 2009 consolidated financial statements and recognised as an expense can be broken down as follows:

Total auditors' fees	2009 K€	2008 K€
Year-end audit services	110	95
Other confirmation services	1	0
Other services	16	48
Total	127	143

The year-end audit services include subsequent amounts of € 29 thousand (previous year: € 10 thousand).

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

Hanover, 8 March 2010

Dr. Martin Heuser Volker Pape Ulrich Mohr

Auditor's Certificate 2009

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 2009. 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, 8 March 2010

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

Roter	Büchsenschütz
Auditor	Auditor

Declaration of Compliance with Corporate Governance Report

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. The Executive Board, also on behalf of the Supervisory Board, reports on the Company's Corporate Governance in the declaration of compliance published by Viscom AG, in accordance with Section 3.10 of the German Corporate Governance Code as well as Section 289a Paragraph 1of German Commercial Code (HGB) on Corporate Governance.

Compliance Statement and Corporate Governance Report

Pursuant to Section 161 of the German Stock Corporation Act (AktG), the Executive Board and the Supervisory Board of any corporation that is listed on the stock exchange are required to make an annual declaration that the recommendations by 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 Gazette were and will be complied with, or state which recommendations were not or will not be applied and for which reason. The statement is to be made permanently accessible to the shareholders on the company's website. Companies are permitted to vary from the recommendations of the Code, but are required to publish any such exceptions and the reasons for them annually. This allows companies to consider sector- or company-specific requirements.

The Executive Board and Supervisory Board of Viscom AG submitted the annual Compliance Statement, according to Section 161 of the German Stock Corporation Act, on 26 February 2010. It has been published and is permanently accessible on Viscom AG's website at www.viscom.com in the section "Investor Relations/Company/Corporate Governance/Compliance Statement". For the period since the last conformity statement of 27 February 2009 until 4 August 2009, the following statement refers to the code version from 6 June 2008 as published in the electronic Federal Gazette on 8 August 2008. For all Corporate Governance activities by Viscom AG since 5 August 2009, this statement refers to the code version 18 June 2009 as published 5 August 2009 in the German Federal Gazette.

The 2010 Compliance Statement

In conformity with Section 161 AktG, the Executive Board and Supervisory Board of Viscom AG declare that the recommendations of the German Corporate Government Code have been and are being complied with. The Executive Board and Supervisory Board of Viscom AG are also committed to ensuring future compliance with these regulations. The following regulations have not been and will not be complied with:

1. The Company has decided to exclude deductibles from its liability insurance (D&O insurance) for the Executive Board and the Supervisory Board (Code Section 3.8).

The Company's liability insurance (D&O) insurance covers neither deliberate acts and failures to act nor intentional breaches of duty by members of the Executive Board and the Supervisory Board. Deductibles are only relevant in the case of negligent breaches of duty.

Deductibles in the context of D&O insurance are and have been contentious in public discussion. The Executive Board and the Supervisory Board are required by law to act responsibly and in the best interests of the company. The Executive Board and the Supervisory Board join with the opinion that deductibles in the context of D&O insurance are inadequate to further raise motivation and consciousness of responsibility – as already resulting from law – among the members of said Boards. Deductibles can also be included in the Board members' own insurances, thus further neutralising any effect that mandatory deductibles should have on the Board members' conduct. Therefore, deductibles were excluded from D&O insurance.

Since the Act on the Appropriateness of Management Board Remuneration (VorstAG) came into effect, the inclusion of deductibles in the D&O insurance for members of the Executive Board is prescribed by law. The Viscom AG will implement this as a part of their current interim regulations.

2. The Company has no Chairperson or Speaker (Code Section 4.2.1).

For one, this is historically conditioned, since the Executive Board members Dr. Martin Heuser and Volker Pape founded the company jointly in 1986 as a GmbH (German limited company) and in their judgment have always held equal rights. The Executive Board and the Supervisory Board are of the opinion that, in a Board occupied by three members, a Chairperson or a Speaker is not required. In addition, law for stock companies proceeds from a principal of consensus, from a collegial rather than a hierarchal Board. A strong principal of consensus has prevailed among the corporate leadership since the company was founded. All significant decisions are made together by the entire Executive Board.

3. The Supervisory Board has not authorized the formation of any committees, especially an audit committee and a nomination committee (Code Sections 5.3.1, 5.3.2, 5.3.3).

The Supervisory Board consists of only three members. In the view of the Supervisory Board, formation of committees is counterproductive given the specific realities of the company. All circumstances are addressed by all members of the Supervisory Board. Furthermore, a nomination committee is unnecessary as the Super-visory Committee consists solely of shareholder representatives.

4. The fixed and variable remuneration for the Supervisory Board which is decided upon annually at the Annual General Meeting does not include remuneration for holding the position of Chairperson and Deputy Chairperson of the Supervisory Board nor of Chairperson or member of committees (Code Sections 5.4.6).

The Annual General Meeting decides on a total amount to cover the fixed and variable remunerati-on elements for all the members of the Super-viso-ry Board (Section 20, Paragraph 1 of the Articles of Association). The Supervisory Board can then deci-de at its own discretion how to allocate the allotted amount to the respective Board members. In the past, it has been common practice to provide the Chairperson and Deputy Chairperson with a higher remuneration. The lack of committees due to the small size of the Supervisory Boards renders any further plan for the distribu-tion of remuneration unnecessary.

5. The Company's Articles of Association make no provision for fixed age limits for members of the Executive Board or the Supervisory Board (Code Sections 5.1.2, 5.4.1).

Given the age structure of the current occupants of the Boards, this status quo need not be questioned. The company is also committed to ensuring access to the expertise of experienced members of the Supervisory Board. As in previous years, such an age limitation in the Articles of Association has been deemed unnecessary. The Supervisory Board and the Executive Board feel that an age-based exclusion of Board members prevents the most ideally suited persons from holding a position for purely formal reasons. Consequently, a fixed age limit is not and will not be included in the Articles of Association. The Supervisory Board and the Executive Board also consider a fixed age limit to be compromising to the ability of the Supervisory Board to attract and hold suitable members.

6. The service contracts with the members of the Executive Board of the Viscom AG provide for no payment caps on severance compensation in the case of early termination of the Executive Board mandate (Code Section 4.2.3).

The new recommendations regarding severance payment caps for early termination of Executive Board mandate refer to conclusion or prolongation of contracts and in the past have not been pertinent to the Viscom AG. The contracts of the members of the Board do not contain any provisions regarding severance pay in the case of early termination of the Executive Board mandate without serious cause or as a result of a change of control. It is generally understood that agreements on severance pay in the case of early termination of the Executive Board mandate without serious cause cannot be legally enforced as contracts with Executive Board members can only be terminated in mutual agreement and Executive Board members have no legal obligation to agree to caps on severance pay within the meaning of the recommendations of the code.

Hanover, 26 February 2010

The Executive Board The Supervisory Board

Disclosures on Corporate Governance Practices

There are no internal compliance regulations or ethical codes of conduct besides the statutory regulations which apply to all employees of Viscom AG and Viscom Group.

Working Methods of the Executive Board and the Supervisory Board

The Executive Board and the Supervisory Board of Viscom AG work together consistently and closely, in keeping with sound and responsible Corporate Governance. They coordinate regularly and on a timely basis in the areas recommended by the Corporate Governance Code, but also on issues beyond those in the Corporate Governance Code.

Executive Board

The Company is a company incorporated under German law which is also the basis of the German Corporate Governance Code. The two-tier system of management comprising the Executive Board and the Supervisory Board as corporate bodies which hold separate powers is a basic tenet of German stock corporation law. The Executive Board and the Supervisory Board of Viscom AG cooperate in all matters relating to control and supervision of the Company in a close and trusting fashion.

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.

The Supervisory Board has resolved standing rules for the Executive Board regulating its work and mode of cooperation with the Supervisory Board. According to these, members of the Executive Board wield executive powers in the areas of responsibility assigned to him/her in the allocation of duties. Insofar as measures or transactions of one area of responsibility overlap with those of one or more other areas, all involved members of the Executive Board must be in agreement. Should there be any continuing conflict, the entire Executive Board must reach a joint decision. The organisational chart notwithstanding, each member of the Executive Board remains responsible for all management issues. The entire Executive Board decides exclusively on any matters or transactions which are of extraordinary importance or carry an extraordinary economic risk.

The Executive Board passes its resolutions either at meetings or, in the absence of objections from Board members, outside of meetings using modern means of communication. Two members of the Executive Board constitute a quorum. All resolutions of the Executive Board require a simple majority. Meetings of the Executive Board are to be scheduled on a regular basis, if possible, a weekly basis. They must take place when required to ensure the well-being of the company. The Executive Board member designated accordingly by the Supervisory Board is responsible for determining meeting dates, convening meetings, setting the agenda, chairing the meetings and ensuring the minutes are taken.

The Executive Board is also obligated to regularly inform the Supervisory Board of the Company of all matters of interest to it concerning the Company and companies affiliated with the Company, especially of all matters covered in Section 90 of the

German Stock Corporation Act (AktG). These reporting duties apply to the full Executive Board. As a rule, Executive Board reports must be presented in written form except when urgency allows or necessitates a verbal report. Furthermore, the Executive Board members must regularly report to the Supervisory Board on business planning and progress, the situation of the Company, including its affiliated companies and risk management, as well as compliance in written or verbal form. The report for the Supervisory Board Chairperson also includes monthly information on revenue, staff costs, incoming orders and order backlog, broken down by business area, as well the income statement and key figures of the Company and the directly and indirectly associated companies. Both the comparative figures of the previous year and of the annual business plan must be included. The Executive Board also reports on significant issues pertaining to the current situation of the Company and directly and indirectly associated companies and events that exceed normal business operations of the Company and affiliated companies and are of special importance for the company as occasion requires. Any information relevant for decision making will be made available to the members of the Supervisory Board in a timely manner prior to the meeting.

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/her decisions or make use of business opportunities to which the Company is entitled for his/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 other professional roles, particularly the assumption of mandates in other companies.

Both the Executive Board and the Supervisory Board are bound to the interests of the Company. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year. No Executive Board member is a member of more then three Supervisory Boards at listed stock corporations outside the Group.

Supervisory Board

The Supervisory Board of Viscom AG consists of three members with the terms of office stated in the Articles of Association. The Company has no co-determination. The members of the Supervisory Board were individually elected at the Annual General Meeting on 18 June 2009 pursuant to the recommendations of the German Corporate Governance Code. The proposals for suitable candidates not only consider the skills, expertise and experience necessary for the duties of the Supervisory Board but also aim to ensure diversity of Board members. Former Executive Board members are not members of the Supervisory Board. There are a sufficient number of independent members of the Supervisory Board who maintain no business or personal relations to the Company or to its Executive Board. The Supervisory Board's term of office is five years. The current term of office ends with the 2013 Annual General Meeting.

The Supervisory Board monitors and advises the Executive Board on Company management. It is involved in all matters fundamental to the Company. 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 that specific material transactions of the Executive Board are subject to the Supervisory Board's approval. The Supervisory Board's further responsibilities include appointing Executive Board members, determining the remuneration system for the Executive Board and its individual members and examining the Company's annual financial statements.

Work within the Supervisory Board is coordinated by the Supervisory Board Chairperson or, in case of his/her impairment, by a Deputy Chairperson. The Chairperson of the Supervisory Board chairs the Board meetings and upholds the Board's interests when representing it. Furthermore, he/she is authorized to make the declarations of intention on behalf of the Supervisory Board that are necessary to implement Supervisory Board resolutions. In urgent cases, this also includes the temporary approval of Company transactions which in accordance with the standing rules require the Supervisory Board's approval. Tasks and rules of procedure are stipulated in the standing rules governing the Supervisory Board which have been resolved in accordance with the Articles of Association. This includes rules regarding the authorities of the Supervisory Board Chairperson and his/her deputy, as well as rules pertaining to conflicts of interest and efficiency reviews. According to these, the Supervisory Board Chairperson is required to remain in regular contact with the Executive Board and discuss strategy, business development and the Company's risk management with them. Should he/she become aware of significant events of material importance for the assessment of the Company's situation and development and of its management, he/she is obligated to inform the Supervisory Board and to convene an extraordinary Supervisory Board meeting if necessary.

Supervisory Board meetings are generally convened as needed with a minimum of two meetings every half year. The Chairperson, or in case of his/her impairment, the Deputy Chairperson, convenes meetings in written form with a 14 day notification period. In urgent cases, the Chairperson can shorten the notification period appropriately and convene the meeting via verbal notification or via telephone, fax or email. The agenda and proposals for resolutions must be included with the invitations.

Pursuant to the standing rules of the Supervisory Board, all meetings should be held in person. But meetings can also be held as video conferences or conference calls, or individual Supervisory Board members can take part in the meeting via phone or video. It is also possible to pass resolutions using votes in written form or made via telephone or electronic forms of communication as long as this follows the Chairperson's directive and there are no objections raised by other Board members during a reasonable period of time set by the Chairperson. The Chairperson of the Supervisory Board must keep a record of and sign all resolutions made in a written or other form.

All resolutions of the Supervisory Board require a simple majority unless stated otherwise by law or the Articles of Association. The Chairperson, or, in case of his/her impairment, the Deputy Chairperson, casts the deciding vote in the case of a tie. Barring different arrangements for individual cases, all Supervisory Board members attend the quarterly meetings of the Supervisory Board. The Executive Board's written reports for the Supervisory Board are handed out to the Supervisory Board members, unless the Supervisory Board has decided on a different approach in an individual case.

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 arisen during that financial year. There were no conflicts of interest to be reported to the Supervisory Board in the past financial year.

Detailed information on Supervisory Board activity during the 2009 financial year is included in the "Report of the Supervisory Board".

Structure and Working Methods of Executive Board and Supervisory Board Committees

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.

No Executive Board Committees with the purpose of increasing efficiency were formed because of the small size of the Executive Board.

Share Transactions of the Board Members

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 following members of the Supervisory Board presently hold shares in the Company:

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

No acquisition or sales transactions of shares of Viscom AG subject to mandatory reporting or of financial instruments based on these were reported to Viscom AG for the 2009 financial year.

Shareholders and Annual General Meeting

Shareholders of Viscom AG exercise their participation and control rights at the Annual General Meeting. The Annual General Meeting decides on all legally regulated issues with a binding effect for all shareholders and for the Company. 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.

Shareholders are entitled to take part in the Annual General Meeting if they register in a timely manner and provide proof of their right to attend the Annual General Meeting and exercise their voting right. Shareholders who cannot attend in person can exercise their voting right via a bank, shareholder association or any other authorized representative. 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 determined by Viscom AG and bound by the shareholders' instructions. This facilitates the exercising of shareholders' rights in compliance with the provisions of the Code.

The invitation to the Annual General Meeting and all information and reports necessary for passing resolutions are made accessible to the public on the website of Viscom AG in German, as stipulated by the laws governing stock companies.

Remuneration Report

Viscom AG complies with the recommendations of the German Corporate Governance Code by disclosing the individual remuneration of the Executive Board and Supervisory Board.

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 2009 financial year is as follows:

Executive Board	Fixed Earnings* K€	Variable Earnings K€	Total Earnings K€
Dr. Martin Heuser	166	0	166
Volker Pape	173	0	173
Ulrich Mohr	175	0	175
Total	**514**	**0**	**514**

* incl. cash value benefits (vehicles)

Remuneration of Supervisory Board Members
Supervisory Board members receive a fixed (€ 45 thousand) 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 Chairperson and Deputy Chairperson of the Supervisory Board is taken into consideration here, but this decision is made by the Supervisory Board. In the 2008 financial year, the Supervisory Board Chairperson received double the basic remuneration and the Deputy Chairperson one and a half times the basic remuneration.

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

Supervisory Board	Total Earnings K€
Dr. Jürgen Knorr (until 18.06.2009)	20
Hans E. Damisch (until 18.06.2009)	15
Prof. Dr. Claus-Eberhard Liedtke	10
Total	**45**

The remuneration for the 2009 financial year will be determined at the 2010 Annual General Meeting. The Supervisory Board members received no remuneration or benefits for personal services rendered, such as consulting or brokerage services.

Risk Management

Part of the Company's principles of Corporate Governance is the responsible handling of corporate risks. The Executive Board of Viscom AG and the Group's management can make use of compre hensive Group and Company reporting and control systems which facilitate the detection, evaluation and control of risks. These systems are subject to continuous development in order to adapt them to changing conditions and are additionally monitored by auditors. The Executive Board regularly informs the Supervisory Board of existing risks and their development.

Details regarding the Group's risk management can be found in the risk report. The risk report contains the report on the accounting-related internal control and risk management system, in compliance with the German Act to Modernise Accounting Law (BilMoG).

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.

1. In compliance with Section 21 of the Securities Trading Act, the Grünwald Equity Beteiligungs V2 GmbH, Grünwald has advised us on 30 September 2009 that their voting rights in the Company exceeded the level of 10 % as of 29 September 2009 and reached the level 10.34 % (933,030 votes) as of that day.

2. In compliance with Section 21 of the Securities Trading Act, Grünwald Equity Beteiligungs GmbH, Grünwald advised us on 30 September 2009 that their voting rights in the Company exceeded the level of 10 % as of 29 September 2009 and reached the level 10.34 % (933,030 votes) as of that day. 10.34 % of the voting rights (933,030 votes) are assigned to them, in accordance with Section 21 of the Securities Trading Act. These voting rights are held by the following controlled companies whose voting rights in Viscom AG amount to 3 % or more: Grünwald Equity Beteiligungs V2 GmbH, Grünwald.

• 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 Europe-wide information system, as well as on our website in the section "Investor Relations/News/Directors' Dealings". No acquisition or sales transactions of shares of Viscom AG subject to mandatory reporting or of financial instruments based on these were reported to Viscom AG for the 2009 financial year.

• 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). The annual financial statement of Viscom AG is prepared according to German Commercial Code (HGB). The Executive Board prepares the consolidated financial statement which is audited by the auditor and the Supervisory Board. Shareholders and interested parties are informed of the general situation of the Company via the annual and interim reports and interim announcements. All reports are simultaneously accessible on our website for all interested parties.

Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hannover was elected by the 2009 Annual General Meeting as auditor and audited the consolidated financial statements and the annual financial statement of Viscom AG. The audit took place in accordance with German auditing regulations and the standards for the audit of financial statements put forward by Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany: IDW), as well as the International Standards on Auditing. Risk management and in compliance with Corporate Governance reporting duties as stated in Section 161 of the German Stock Corporation Act were also taken into account.

It was agreed with the auditors, that they would promptly inform the Supervisory Board Chairperson 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 Compliance Statement, as submitted by the Executive Board and the Supervisory Board, in accordance with Section 161 of the German Stock Corporation Act.

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 calender 2010

- 30 March 2010 .... Disclosure of annual report, Press conference — Hanover
- 31 March 2010 .... Analysts and investors conference — Frankfurt
- 12 May 2010... Interim management report — Hanover
- 02 June 2010... Annual general meeting — Hanover
- 27 August 2010 ....Disclosure of six-month report, Telephone conference — Hanover
- 12 November 2010 .... Interim management report — Hanover

Imprint

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Multiyear Report

Viscom AG five-year report		2009	2008	2007	2006	2005
Profit and loss						
Revenue	K€	20,874	49,915	51,986	53,307	50,483
EBIT	K€	-13,893	-1,586	4,482	10,219	11,483
EBT	K€	-13,275	-1,272	5,488	10,762	11,675
Income taxes	K€	-442	-435	-1,929	-2,389	-4,208
Annual profit	K€	-13,717	-1,707	3,559	8,373	7,467
Balance						
Assets						
Non-current assets	K€	5,005	5,612	5,643	3,056	2,776
Current assets	K€	43,113	59,407	67,485	73,259	33,967
Total assets	K€	48,118	65,019	73,128	76,315	36,743
Liabilities						
Share capital	K€	42,842	56,677	61,499	62,574	20,331
Non-current liabilities	K€	231	533	529	0	273
Current liabilities	K€	5,045	7,809	11,100	13,741	16,139
Total capital	K€	48,118	65,019	73,128	76,315	36,743
Cashflow statement						
CF from current business	K€	1,757	2,007	-5,650	-4,717	10,132
CF from investment	K€	-2,635	-328	-2,107	-299	-981
CF from financing	K€	-26	-3,274	-4,455	34,040	-3,414
End of period capital	K€	25,322	26,254	27,726	40,144	11,286
Personnel						
Employees at year-end		273	412	376	346	266
Investment						
Tangible and intangible assets (paid)		186	937	3,234	1,269	1,038
Shares						
Shares		9,020,000	9,020,000	9,020,000	9,020,000	67,200
Dividend	K€	0	0	2,706	4,510	9,072
Dividend per share	€	0.00	0.00	0.30	0.50	135.00
Shareholder capital per share	€	4.75	6.28	6.82	6.94	302.54
Key figures						
EBIT margin	%	-66.6	-3.2	8.6	19.2	22.8
Equity return	%	-32.0	-3.0	5.8	13.4	36.7

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