

Interim Management Report as of 30 September 2010



Viscom AG: Business developments exceed expectations – 2010 annual forecast raised

Viscom AG develops, produces and distributes high-quality automatic optical and X-ray inspection systems for industrial electronics production and is among the world's leading suppliers in its field. Viscom inspection systems are used in almost all areas of the electronics industry.

Overall Business Development

The positive trend seen in the first six months of 2010 continued in the third quarter. Viscom AG is reporting a significant increase in incoming orders, which have more than doubled compared to the previous year. It is pleasing to note that the positive trend in Asia over the first six months of 2010 has further solidified. Revenue in the region has nearly quadrupled compared to the same period in the previous year.

The trend of increasing investment activity in the automotive industry as well as the electronics and consumer goods segments in the first nine months of 2010 continues. Particularly demand for high-end inspection systems such as the X7056RS and S6056 has increased further in these sectors.

The restructuring of the group implemented in 2009 as well as a consistent cost reduction policy are making a positive contribution to the development of earnings. Reduced working hours at the Hanover location have been increased again in the meantime. Other operating expenses were also reduced significantly compared to the previous year, in part thanks to the consistent focus on the core business of Viscom AG.

Capacity utilisation in production remains very high. Production and commissioning are running at full capacity until the end of the year. The order backlog is being processed with existing personnel and temporary workers.

Earnings and Financial Position

At € 22,975 thousand, consolidated revenue for the first three quarters of 2010 is approximately 69 % higher compared to the previous year (€ 13,600 thousand). Earnings before interest and taxes (EBIT) amount to € 2,753 thousand (previous year: € -8,987 thousand). The EBIT includes one-off effects from the reduction of impairment losses for slow movers (goods that show none or little demand during a certain period of time) amounting to about € 1.6 million as well as from recognising development services of about € 0.7 million. The EBIT now shows clearly positive developments in operations as well. The group is therefore back on track, having recovered from the economic crisis.

Customers of Viscom Group placed orders in the amount of € 32,731 thousand in the first nine months of 2010. Incoming orders are therefore significantly above the level of the same period last year (previous year: € 12,832 thousand). The order backlog at the end of the third quarter of 2010 is € 15,011 thousand (previous year: € 5,430 thousand).

With an equity ratio of 87.3 %, Viscom AG has maintained a very strong equity base (31 December 2009: 89.0 %).

Outlook

Based on favourable business developments, the Executive Board is raising the overall annual forecast for 2010. The group now aims to generate revenue of € 34 million to 35 million as well as net profit for the period of € 4 million to 4.5 million in the 2010 financial year. Management is therefore deviating from the original plans, which anticipated revenue of € 30 million and break-even net profit for the period in 2010.

Personnel

Mr. Ulrich Mohr, CFO of Viscom AG, is leaving the company at the end of his employment contract effective 31 December 2010. Mr. Dirk Schwingel was engaged as the Commercial Manager of Viscom AG effective 1 July 2010. Mr. Dirk Schwingel is 46 years old and was most recently employed as the Commercial Managing Director of an SME in the mechanical engineering sector in North Rhine-Westphalia.

Hanover, 12 November 2010

The Executive Board

Dr. Martin Heuser Volker Pape Ulrich Mohr

Key figures of Viscom AG

Key figures (K€)	01.01.– 30.09.2010	01.01.– 30.09.2009
Revenue	22,975	13,600
EBIT	2,753	-8,987
Financial result	296	380
Income taxes	-77	113
Net profit for the period	2,972	-8,494
Earnings per share	€ 0.33	€ -0.96
Number of employees	257	283

Key figures (K€)	01.01.– 30.09.2010	01.01.– 31.12.2009
Current assets	45,777	43,113
Non-current assets	6,947	5,005
Current debt	6,403	5,045
Non-current debt	267	231
Total assets	52,724	48,118
Equity	46,054	42,842
Equity ratio	87.3 %	89.0 %
Cash flow from operating activities	-1,502	1,757
Cash flow from investing activities	-3,824	-2,635
Cash flow from financing activities	-7	-26
Cash and cash equivalents	20,128	25,322
Financial investments	5,333	2,147

Segment information

Key figures (K€)	01.01.– 30.09.2010	01.01.– 30.09.2009
Europe		
Revenue	16,229	11,140
EBIT	2,852	-7,739
Asia		
Revenue	4,368	1,031
EBIT	58	-568
Americas		
Revenue	2,378	1,429
EBIT	-157	-680

Insofar as this report contains forecasts or communicates expectations or statements that refer to the future, such information may be associated with risks and uncertainty. As a result, we cannot guarantee that the expectations will prove to be correct. The actual results and developments may deviate significantly from the expectations and assumptions that have been expressed. Factors that may lead to such deviations include changes in the overall economic and competitive situation, exchange rate and interest rate fluctuations or national and international legal changes. The company assumes no obligation to update the information contained in this report.



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