

**Interim Report as of 30 June 2007**



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## Key Group Figures

	01.01.–30.06.2007	01.01.–30.06.2006
Revenue	19,179 K€	24,474 K€
EBIT	-1,053 K€	4,092 K€
Financial result	546 K€	184 K€
Income taxes	-126 K€	-1,667 K€
<b>Net profit for the period</b>	<b>-633 K€</b>	<b>2,609 K€</b>
Number of shares	9,020,000	9,020,000
<b>Diluted and undiluted earnings per share</b>	<b>-0.07 €</b>	<b>0.29 €</b>
<b>Number of employees</b>	<b>366</b>	<b>312</b>

## Foreword by the Executive Board



**Dear shareholders,**

**Ladies and gentlemen,**

The first half of 2007 was highly eventful for Viscom AG. As early as in the first quarter, Viscom achieved a key milestone with the opening of an Application Center in San Jose. This was followed in May by the opening of the strategically critical Application Center in Shanghai. Viscom AG thus remains squarely on track to reach the goals outlined following the company's initial public offering in May 2006.

As part of the 'Strategy 2010' project, we are continuing to realign and optimize internal company structures to meet the demands imposed upon us as a globally expanding business organization. In particular, beefing up our international distribution and service capacity is a major objective. On a global level, we have increased our capacity for customer demonstrations by around 25 % in the course of this project.

The success can already be seen in a corresponding increase in the number of evaluations. With the existing production capacities, we can adapt our production processes flexibly, and thus easily meet additional demand as and when it arises. We are also taking measures to enhance the profile of "Viscom" as a global brand. In particular, the recognition value of a brand and the trust associated with it can strengthen customer loyalty and make it easier to reach potential new customers.

The first year after the initial public offering of Viscom AG was an eventful one, in which the groundwork was laid for many new developments and plans. Some objectives proved unattainable within the desired time horizon, but continue to be pursued. Despite revenue and earnings for the first half of the year falling below expectations, we are cautiously optimis-

tic about the second half of financial year 2007 and highly confident of our medium to long-range prospects.

We look forward to your continued participation in our enterprise as we move ahead with our strategy and would like to express our thanks for the trust placed in us!

Sincerely yours,



Dr. Martin Heuser      Volker Pape      Ulrich Mohr

## Viscom's Shares

<b>ISIN</b>	<b>DE 000 7846867</b>
Market segment	Official Market of the Frankfurt Stock Exchange Prime Standard
<b>Number of shares</b>	<b>9.02 million</b>
Free float	40.1 %
<b>Market capitalisation</b>	<b>109.1 million €</b>
High	13.82 €
<b>Low</b>	<b>11.65 €</b>
Average trading volume	12,954
<b>EPS</b>	<b>-0.07 €</b>

As of 30 June 2007

Viscom shares traded within a stable range between € 11.65 and € 13.82 in the first half of 2007 within a generally favorable market environment for equities. The trading volume in Viscom shares during the same period was highly variable however, ranging between 380 and 116,395 shares per trading day.

Enhancing enterprise and shareholder value are primary objectives of Viscom AG Management. Partnerships with dependable, long-term investors are of great importance with regard to these objectives, helping to stabilize our shares in terms of price and

trading volume. This being the case, our company founders have responded to numerous investor requests to increase our free float, selling a small portion of their holdings to Grünwald Equity in a private placement. Grünwald Equity Beteiligungs GmbH is a private equity firm interested in long-term investments in stable and expanding markets. Holding a roughly 8% stake, Grünwald Equity is now Viscom AG's largest single shareholder aside from the company founders, who still hold a majority stake, owning 59.9% of Viscom AG shares. Viscom AG's free float has increased as a result from 33.4% to 40.1%.

### Trend of the Viscom Shares



On 15 June 2007, Viscom AG held its successful first Annual General Meeting following the May 2006 IPO. A total of 6,691,379 shares or 74.18% of share capital was represented at the meeting according to the record. Resolutions passed at the meeting included distribution of a € 0.50 per share dividend distribution, voted in favor of by 6,688,576 shares or 99.99% of share capital represented. This dividend represents approximately 54% of the Group's net profit of K€8,373 for the previous financial year. This represents a 4.1% dividend yield with respect to the half-year result. The next Annual General Meeting is scheduled to be held on 12 June 2008 in Hanover.

The primary mission of Viscom AG's investor relations work is to allow all capital market participants to obtain a fair evaluation of the Viscom Group. This is why we provide regular and transparent communications and are always available for candid dialog. In the first half of 2007, Viscom AG held numerous one-on-one talks with national and international analysts and investors, and presented at the Laser 2007 analysts conference in Munich and at the SMT in Nuremberg. In addition, all information relating to Viscom's shares is published in a timely manner on the Company's website at [www.viscom.com/en\\_ir](http://www.viscom.com/en_ir).

## Consolidated Interim Management Report

**Revenue and earnings**

In the first half of 2007, Viscom Group revenue fell short of expectations. The Group posted revenue of K€ 19,179, representing a 21.6% year-on-year decline (K€ 24,474). Viscom revenues are subject to seasonal effects, the second half and fourth quarter in particular usually turning out the strongest. However, seasonal effects are not the only factor responsible for this result, which was also the product of customers buying restraint in anticipation of the availability of a new inspection system and decreased investment activity by major customers of the Viscom Group.

Three major customers have thus far accounted for roughly 50% of Viscom AG revenue. A temporary reluctance to invest on the part of one of these customers is having a negative impact on Viscom Group revenue and earnings. Reducing dependency on a small number of big customers is one of Viscom's main objectives, thus Viscom continues to pursue the acquisition of new key accounts worldwide – particularly in Asia.

The X7056 inspection system launched by Viscom is a pioneering innovation, offering cost-effective and rapid optical and x-ray inspection. There is great demand for the new system, and several orders have been received. The first system delivery to customers was only possible in August 2007, significantly later than planned. Viscom anticipates the impact of X7056 sales to be seen in the third quarter of 2007.

The relatively high level of incoming orders during the period under review partly counterbalances the severity of the decline in revenue, being valued at € 24.7 million, just below last year's level of € 24.9 million. Orders on hand of € 14.1 million closing out the half-year is a major positive, significantly higher than at the end of Q2 last year (€ 8.8 million). This high level of orders on hand is the first indication of the effectiveness of measures implemented by Viscom, in view of which Management remains modestly optimistic regarding the outlook for financial year 2007 as a whole.

EBIT for the period under review was K€ -1,053, versus K€ 4,092 the same period last year, for an after-tax loss of K€ -633 (prev. yr. +K€ 2.609). High fixed operating expenses were mainly responsible for this loss, which were considered necessary to bring the newly developed systems into the market. The Viscom Group workforce grew by 17.3% year-on-year, as additional personnel were hired for technical positions and as part of regional expansion. The full effect of the additional personnel costs accruing is now being felt. Viscom also continues to invest heavily in research and development. In addition to continuing to work with the pioneering X7056, the research team continues to press forward in its development efforts with the high-performance VM and 8M sensor modules, with 3D paste inspection and the new EasyPro3D operational and programming interface. This intensive research and development activity involved expenses that weighed upon Viscom Group EBIT in the first half of 2007.



### Net assets and financial position

**Cash flow from operating activities** came to K€ -5,125 for the first half of 2007 versus K€ -36,756 for the same period last year. This negative cash flow resulted from the net loss for the period of K€ -633 (prev. yr. K€ 2,609) and the decrease in liabilities (K€ -5,488 vs. prev. yr. K€ 27,641). Lower inventories, accounts receivable and other assets (K€ 3,541 vs. prev. yr. K€ -65,131) had a partially offsetting effect. The decline in liabilities chiefly reflected redemption of a securities loan in connection with the investment of proceeds from the May 2006 IPO. Inventories, receivables and other assets reported for H1 2006 predominantly reflected these loaned securities with roughly € 60 million: € 30 million having been invested with an investment bank in the context of the transaction. An amount of € 30 million was pledged to the bank as security for the loaned shares. The transaction increased financial assets by roughly € 30 million while simultaneously creating a liability with the bank for € 30 million representing the value of the loaned securities, which was recorded on the balance sheet.

The slight increase in **cash flow from investing activity** from K€ -501 to K€ -636 resulted from investment to open Application Centers in Asia and the US, including office furnishings and equipment.

There was a significant change in **cash flow from financing activity** from K€ 33,884 for the first half of 2006 to K€ -3,899 for the first half of 2007. This represented proceeds of K€ 42,233 from the company IPO on 10 May 2006. The dividend distribution on 18 June 2007 of K€ 4,510 was substantially below last year's distribution of K€ 8,381. Interest income rose during the period under review to K€ 557 (prev. yr. K€ 157), reflecting the overall greater liquidity of the Viscom Group during the first half of 2007.

**Working capital** came to € 54,333 for the first half of 2007 versus € 59,518 at the close of H1 2006. The increase in inventories during the first half of 2006 was offset by significantly lower cash and cash equivalents, which accounted for the decline. The rise in inventories was amongst other things due to increased production of X7056 inspection systems.

The **equity ratio** for Viscom AG rose to 86.5% during the period under review, a 4.5% increase versus H1 last year (82.0%). This was a consequence of the decline in total assets for the Viscom Group from K€ 76,315 as of 30 June 2006 to K€ 66,491.

The Viscom Group workforce numbered 366 **employees** worldwide at the end of H1 2007, a 17.3% increase versus the figure for H1 2006. Hiring concentrated on Asia, where 22 employees have been added since the end of Q2 last year, taking the total up to 37. This expanded the companies service and distribution capacity in this key growth region considerably.



As of 30 June 2007	Europe	Asia	USA	Total
<b>Total</b>	<b>310</b>	<b>37</b>	<b>19</b>	<b>366</b>
of which: full-time	294	36	19	349
of which: part-time	13	1	0	14
of which: interns/students	3	0	0	3
plus trainees	15	0	0	15

### Segment report

#### Europe

In the first half of 2007, the Viscom Group generated nearly 70% of revenue in Europe, by far the strongest region, posting K€ 13,411 for a 19.0% year-on-year decline (H1 2006 K€ 16,548). The European supplier industry has been somewhat restrained in its investment activity, which has impacted Viscom and all other system manufacturers in the electronics industry. Demand for electronic equipment is closely tied to automobile production. In 2007, worldwide passenger vehicle production is estimated at 72.8 million units, a 1.4% decline being projected for Europe at an estimated 17.1 million passenger vehicles. While a more pronounced 2.6% production decline is expected for the US down to 11.2 million passenger vehicles, production in Japan and China is likely to increase substantially.

The depressed revenues seen industry-wide are coming at a time of increased capital and personnel expenditure at Viscom. The constellation of higher personnel and R&D costs combined with lower revenue is responsible for the negative EBIT of K€ -901 for the first half of 2007 versus K€ 3,391 reported for H1 2006.

Europe	Jan.–June 2007	Jan.–June 2006
Revenue (K€)	13,411	16,548
EBIT (K€)	-901	3,391
EBIT margin (%)	-6.7	20.5
Employees	310	281
Representatives	17	17

### Asia

With revenue up 12.9 % in Asia, Viscom is pleased to see the initial benefits of expansion becoming manifest in the first half of 2007. Group revenue increased from K€ 3,284 for the first half of 2006 to K€ 3,707. The automobile industry is booming in Asia, especially in China and Japan. For Japan, passenger vehicle production is estimated at 12.1 million units for 2007, an increase of 4%. For China, the figure is 6.9 million units for a 9.7 % production increase. Viscom benefits from increased capital expenditure by international auto-makers, and has acquired a number of smaller Chinese manufacturers as customers.

Since the end of last year, activity has noticeably revived in Thailand since most American and European companies halted investment due to political unrest there. Viscom for example is conducting four separate evaluations in Thailand at this time. The new service center in Korea is now staffed by three employees and is encountering increasing customer acceptance – which is crucial in Asia, where trust and personal relationships play a decisive role in business deals.

Viscom sees great potential in Asia for development of the X7056 and the 3D paste inspection system. Demand from the Asian market is very strong for these systems, although they were not yet deliverable during the period under review. The new 3088-II system is specifically tailored to the Asian market. The machine's ergonomic housing makes it smaller and sturdier, permitting use of a new axis system that runs up to 20% faster. In combination with the new 8M sensor module, the 3088-II can handle an average 25% greater volume in the same time.

In India and Indonesia, Viscom is opening up new fields of potential. In Indonesia, Viscom has recently partnered with a representation firm, while India is attractive because of its fast-growing software industry. Hardware and high-end electronics are still just getting started, but India is attracting more and more companies from the automotive industry, including BMW, which has opened a major plant in Chennai.

Asia	Jan.–June 2007	Jan.–June 2006
Revenue (K€)	3,707	3,284
EBIT (K€)	147	266
EBIT margin (%)	3.9	8.1
Employees	37	15
Representatives	17	7

### Americas

In the Americas region, revenue declined 55.6% to K€ 2,061 (prev. yr. K€ 4,642), substantially behind expectations. The primary cause was buying restraint on the part of several major customers in H1 2007, which sharply impacted operations in this region. The big-buyer business is cyclical to a certain degree, as orders from these companies are not evenly distributed throughout the year, tending instead to concentrate at certain times. At the new Application Center in San Jose located in Silicon Valley, Viscom is pursuing customer acquisition, the effectiveness of which can be seen in a significant increase in customer demos and evaluations. These are long-term projects however, which will only start generating revenue in subsequent quarters. Increasing revenue from the high-margin Service and Replacement Parts businesses in this region is a highly positive development, of particular medium to long-term significance.

EBIT for the first half of 2007 suffered from falling revenue and higher trade show and marketing expenditure. Because achieving a high level of corporate brand recognition is a critical aspect of becoming established in new markets, the Viscom Group has been working to heighten the company's profile at US trade shows to convince US companies to invest in Viscom systems. In America, Viscom posted EBIT of K€ -299 in H1 2007 as compared to K€ 435 for the same period last year. In the midterm these investments will pay off in a positive revenue and EBIT development.

Americas	Jan.–June 2007	Jan.–June 2006
Revenue (K€)	2,061	4,642
EBIT (K€)	-299	435
EBIT margin (%)	-14.5	9.4
Employees	19	16
Representatives	15	15

**Opportunities/risks and outlook report**

The Viscom Group is active in a highly promising market environment. The microelectronics business continues to grow rapidly. For example, vehicle production between the years 1995 and 2009 is projected to increase at an average annual rate of 3.1%, as compared to a projected 11% for electronics production during the same period of time and roughly 23% for semiconductors. If automotive vehicle production were to rise by around 4% per year, this alone could substantially benefit the Viscom Group. By expanding into Asia, Viscom will become increasingly involved in consumer, computer and communications electronics, markets offering several times the business volume represented by the automotive industry.



Parallel to our regional positioning efforts, Viscom is engaged in realigning its corporate structure. The Viscom project 'Strategy 2010' involves corporation-wide reorganization of departments and departmental interfaces in an effort to better meet the demands facing a global growth company. The specific objectives of the project are increasing distribution capacity, optimizing the product range for specific customers and regions and conducting a global marketing offensive to enhance the visibility of the Viscom brand. Initial measures from these efforts have been seen in a 25% increase in demo capacity and demo and evaluation activity as well as development of the X7056 and 3088-II systems, the VM and 8M module

sensor heads and the simplified EasyPro3D operational and programming interface. These new systems are even more adaptable to the specific requirements of various customer groups, setting a new standard for system performance.

The company has implemented a risk management system in line with Section 91 (2) of the German Stock Corporation Act. The corporate risk management strategy revolves around fully informing decision-makers as quickly as possible with regard to material risks and risk events, allowing timely proactive and reactive steps to be implemented. Managerial staff regularly meet to discuss the current status of risk issues that have been identified.

Viscom has identified exposure to country-specific, customer and currency risk. Chinese bureaucracy may prevent the Shanghai Application Center from officially opening until May 2007 instead of the fourth quarter of 2006, until which time the Center was unable to produce revenue. Additionally, the extremely lengthy evaluation and sale processes commonly encountered when doing business in Asia may pose a further delay. Viscom is addressing this risk by more closely tailoring its advertising messages, adding distribution capacity and launching products tailored specifically for the Asian market, such as the 3088-II. The Viscom Group's sensitivity to the purchasing behavior of major customers represents customer risk. Viscom is addressing this

risk by continuing to vigorously pursue the acquisition of new key accounts worldwide to reduce dependency on a handful of big buyers.

In view of the factors outlined above, for 2007, Management believes the company can realistically achieve a revenue target between € 51 and 54 million and an EBIT margin of 6 - 9 %. This represents a revision of the original Management estimate of revenue coming in at € 57 to 60 million with an EBIT margin of 15 to 17%.

Management strongly believes that the measures implemented will be of benefit in capitalizing on the many promising growth opportunities facing the company, and in meeting our medium-range goals for revenue and earnings.

#### **Significant transactions with related parties**

Lease contracts are in place between the Company and the organizations Dr. Martin Heuser/Petra Pape GbR, Hanover, Marina Heuser/Petra Pape GbR, Hanover and HPC Vermögensverwaltung GmbH, Hanover for six properties located on Carl-Buderus-Straße in Hanover. These organizations all represent related parties as per IAS 24.

The Viscom Group has also concluded operating leases, primarily for company vehicles, with HPC Vermögensverwaltung GmbH.

## General Information on the Company

Viscom AG is headquartered in Hanover, Germany, where it is registered under record number HR B 59616. The business address is: Viscom AG, Carl-Buderus-Str. 9 - 15, 30455 Hanover.

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.

Viscom Group IFRS consolidated financial statements dated 30 June 2007  
Income Statement

<b>Consolidated income statement</b>	<b>01.04.– 30.06.2007</b>	<b>01.04.– 30.06.2006</b>	<b>01.01.– 30.06.2007</b>	<b>01.01.– 30.06.2006</b>
	<b>K€</b>	<b>K€</b>	<b>K€</b>	<b>K€</b>
Revenue	8,463	11,399	19,179	24,474
Other operating income	231	237	394	433
	<b>8,694</b>	<b>11,636</b>	<b>19,573</b>	<b>24,907</b>
Changes in finished goods and work in progress	1,683	1,282	3,347	2,850
Cost of materials	-4,435	-5,050	-10,024	-10,978
Staff costs	-4,615	-3,896	-9,259	-7,618
Depreciation and amortisation expense	-200	-181	-389	-339
Other operating expenses	-2,072	-2,564	-4,301	-4,730
<b>Total operating expenses</b>	<b>-9,639</b>	<b>-10,409</b>	<b>-20,626</b>	<b>-20,815</b>
<b>Operating profit/loss</b>	<b>-945</b>	<b>1,227</b>	<b>-1,053</b>	<b>4,092</b>
Interest income	370	183	566	274
Interest expense	0	-82	-20	-90
Taxes on income	-116	-449	-126	-1,667
<b>Net profit for the period</b>	<b>-691</b>	<b>879</b>	<b>-633</b>	<b>2,609</b>
<b>Earnings per share (diluted and undiluted) in €</b>	<b>-0.08</b>	<b>0.10</b>	<b>-0.07</b>	<b>0.29</b>

## Balance Sheet: Assets

Assets	30.06.2007 K€	31.12.2006 K€
<b>Current assets</b>		
Cash and cash equivalents	30,437	40,144
Trade receivables	10,236	17,186
Current income tax assets	0	2,412
Inventories	17,237	12,997
Other receivables and assets	5,393	520
<b>Total current assets</b>	<b>63,303</b>	<b>73,259</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	2,281	2,142
Intangible assets	126	139
Loans originated by the Company	38	91
Deferred tax assets	490	684
Other noncurrent assets	253	0
<b>Total noncurrent assets</b>	<b>3,188</b>	<b>3,056</b>
<b>Total assets</b>	<b>66,491</b>	<b>76,315</b>



## Balance Sheet: Liabilities and shareholders' equity

Liabilities and shareholders' equity	30.06.2007 K€	31.12.2006 K€
<b>Current liabilities</b>		
Trade payables	2,155	2,035
Advanced payments received	430	0
Provisions	3,106	3,240
Current income tax liabilities	67	4,376
Other current liabilities	3,212	4,090
<b>Total current liabilities</b>	<b>8,970</b>	<b>13,741</b>
<b>Total noncurrent liabilities</b>	<b>0</b>	<b>0</b>
<b>Shareholders' equity</b>	<b>0</b>	<b>0</b>
Subscribed capital	9,020	9,020
Capital reserves	42,170	42,082
Retained earnings	6,335	11,478
Exchange differences	-4	-6
<b>Total shareholders' equity</b>	<b>57,521</b>	<b>62,574</b>
<b>Total liabilities and shareholders' equity</b>	<b>66,491</b>	<b>76,315</b>

## Consolidated Cash flow statement

Consolidated cash flow statement	01.01.–30.06.2007	01.01.–30.06.2006
	K€	K€
<b>Cash flow from operating activities</b>		
Net profit for the period after interest and taxes	-633	2,610
Adjustment of net profit for income tax expense (+)	126	765
Adjustment of net profit for interest expense (+)	20	90
Adjustment of net profit for interest income (-)	-566	-273
Adjustment of net profit for depreciation and amortisation expense (+)	389	339
Increase (+) / Decrease (-) in provisions	-165	105
Gains (-) / Losses (+) on the disposal of noncurrent assets	-24	-10
Increase (-) / Decrease (+) in inventories, receivables and other assets	3,541	-65,131
Increase (+) / Decrease (-) in liabilities	-5,488	27,641
Income taxes paid (-)	-2,326	-2,892
<b>Net cash used in/from operating activities</b>	<b>-5,125</b>	<b>-36,756</b>
<b>Cash flow from investing activities</b>		
Proceeds (+) from the disposal of noncurrent assets	68	16
Acquisition (-) of property, plant and equipment and noncurrent intangible assets	-704	-517
<b>Net cash used in investing activities</b>	<b>-636</b>	<b>-501</b>
<b>Cash flow from financing activities</b>		
Proceeds (+) from issue of shares	0	42,233
Dividend distribution (-)	-4,510	-8,381
Appropriation of income from deferred receivables to capital reserve (+)	87	0
Repayment (-) of loans	0	-47
Interest paid (-)	-33	-78
Interest received (+)	557	157
<b>Net cash from/used in financing activities</b>	<b>-3,899</b>	<b>33,884</b>
Changes in cash and cash equivalents due to changes in interest rates	-47	-112
<b>Cash and cash equivalents</b>		
Changes in cash and cash equivalents	-9,660	-3,373
Cash and cash equivalents at 1 January	40,144	11,285
<b>Total cash and cash equivalents</b>	<b>30,437</b>	<b>7,800</b>

## Statement of changes in shareholders' equity

Shareholders' equity	Subscribed capital	Capital reserves	Exchange differences	Retained earnings	Total
	K€	K€	K€	K€	K€
<b>Shareholders' equity at 1 January 2006</b>	<b>67</b>	<b>7,913</b>	<b>174</b>	<b>12,177</b>	<b>20,331</b>
Exchange differences	0	0	-246	0	-246
Appropriation of income from deferred receivables to capital reserve (+)	0	981	0	0	981
= Non-operating loss	0	981	-246	0	735
+ Net profit for the period	0	0	0	2,609	2,609
- Dividends	0	0	0	-9,072	-9,072
+ Capital increase from retained earnings	8,953	32,299	0	0	41,252
<b>Shareholders' equity at 30 June 2006</b>	<b>9,020</b>	<b>41,193</b>	<b>-72</b>	<b>5,714</b>	<b>55,855</b>
<b>Shareholders' equity at 1 January 2007</b>	<b>9,020</b>	<b>42,082</b>	<b>-6</b>	<b>11,478</b>	<b>62,574</b>
Exchange differences	0	0	2	0	2
Appropriation of income from deferred receivables to capital reserve (+)	0	88	0	0	88
= Non-operating loss	0	88	2	0	90
+ Net profit for the period	0	0	0	-633	-633
- Dividends	0	0	0	-4,510	-4,510
+ Capital increase from retained earnings	0	0	0	0	0
<b>Shareholders' equity at 30 June 2007</b>	<b>9,020</b>	<b>42,170</b>	<b>-4</b>	<b>6,335</b>	<b>57,521</b>

## Special disclosures

**Declaration of compliance**

These interim financial statements produced at the end of the second quarter of 2007 were produced through the uniform application of and in accordance with all International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), including in particular IAS 34 (Interim Reporting), applicable as of the 30 June 2007 statement date.

**Basic principles of preparation**

The IFRS interim financial statement was produced in euro (€) denomination. Most figures are presented as euro thousands (K€).

The same accounting, measurement and computational methods were employed as with the 2006 consolidated financial statements.

The income statement was prepared in accordance with the nature of expense method.

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

The consolidated financial statements contain certain estimates and assumptions that have an impact on the recognition and carrying amounts of assets, liabilities, income, expenses and contingent liabilities. Actual amounts may differ from these estimates.

**Events after the balance sheet date**

No significant events occurred after the end of first half year 2007.

**Seasonality**

The Viscom Group's business is seasonal in nature to a significant degree. More revenue tends to be generated in the second half of the year than in the first six months. The fourth quarter is typically by far the strongest quarter in terms of revenue.

**Dividends**

On 18 June 2006, Viscom AG distributed K€ 4,510 in dividends. This represents approximately 54% of consolidated revenue totaling K€ 8,373.

Disclosures on the Group's geographical segments broken down by sales market (in € thousands)	Europe		Asia		Americas		Total	
	01.01.– 30.06. 2007	01.01.– 30.06. 2006	01.01.– 30.06. 2007	01.01.– 30.06. 2006	01.01.– 30.06. 2007	01.01.– 30.06. 2006	01.01.– 30.06. 2007	01.01.– 30.06. 2006
	Revenue	13,411	16,548	3,707	3,284	2,061	4,642	19,179
EBIT	-901	3,391	147	266	-299	435	-1,053	4,092
plus financial result	551	198	4	0	-9	-14	546	184
less income taxes	-178	-1,448	-50	-54	102	-165	-126	-1,667
<b>Net profit for the period</b>	<b>-528</b>	<b>2,141</b>	<b>101</b>	<b>212</b>	<b>-206</b>	<b>256</b>	<b>-633</b>	<b>2,609</b>

## Special disclosures

We declare that to the best of our knowledge and in accordance with the principles for the proper production of group interim reports, the consolidated financial statements provide a true and accurate account of the Group's net assets, financial position and earnings, and that the Group interim management report provides a true and accurate account of business developments, business performance and the overall po-

sition of the Group including material opportunities and risks pertinent to the Group's business results over the remainder of the financial year.



Dr. Martin Heuser      Volker Pape      Ulrich Mohr



- 12/13 September 2007..... Road Show London
- 27 September 2007..... 5. Scherrer Small Cap Conference Zurich
- 13 November 2007..... Publication of Report on the First Nine Months, Telephone Conference Hanover
- 12 June 2008 ..... Annual General Meeting Hanover

## Viscom AG

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<b>Published by</b>	Viscom AG, Carl-Buderus-Str. 9–15, 30455 Hanover, Germany Tel. +49 511 94996-0, Fax +49 511 94996-900 info@viscom.de, www.viscom.de
<b>Responsibility</b>	Viscom AG, represented by the Executive Board
<b>Editors</b>	Dr. Martin Heuser (Executive Board) Volker Pape (Executive Board) Ulrich Mohr (Executive Board) Katharina Blanke (Investor Relations Manager)
<b>Layout and design/Photography</b>	corinna.lorenz.grafik.design., Hanover Franz Fender, www.franzfender.de, Viscom AG
<b>Printing and production</b>	Druckhaus Benatzky, www.benatzky.de
<b>Commercial register and registration number</b>	Court of registration: Hanover Local Court, Registration number: HR B 59616, VAT ID number in accordance with section 27a of the German VAT Act: DE 115675169
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