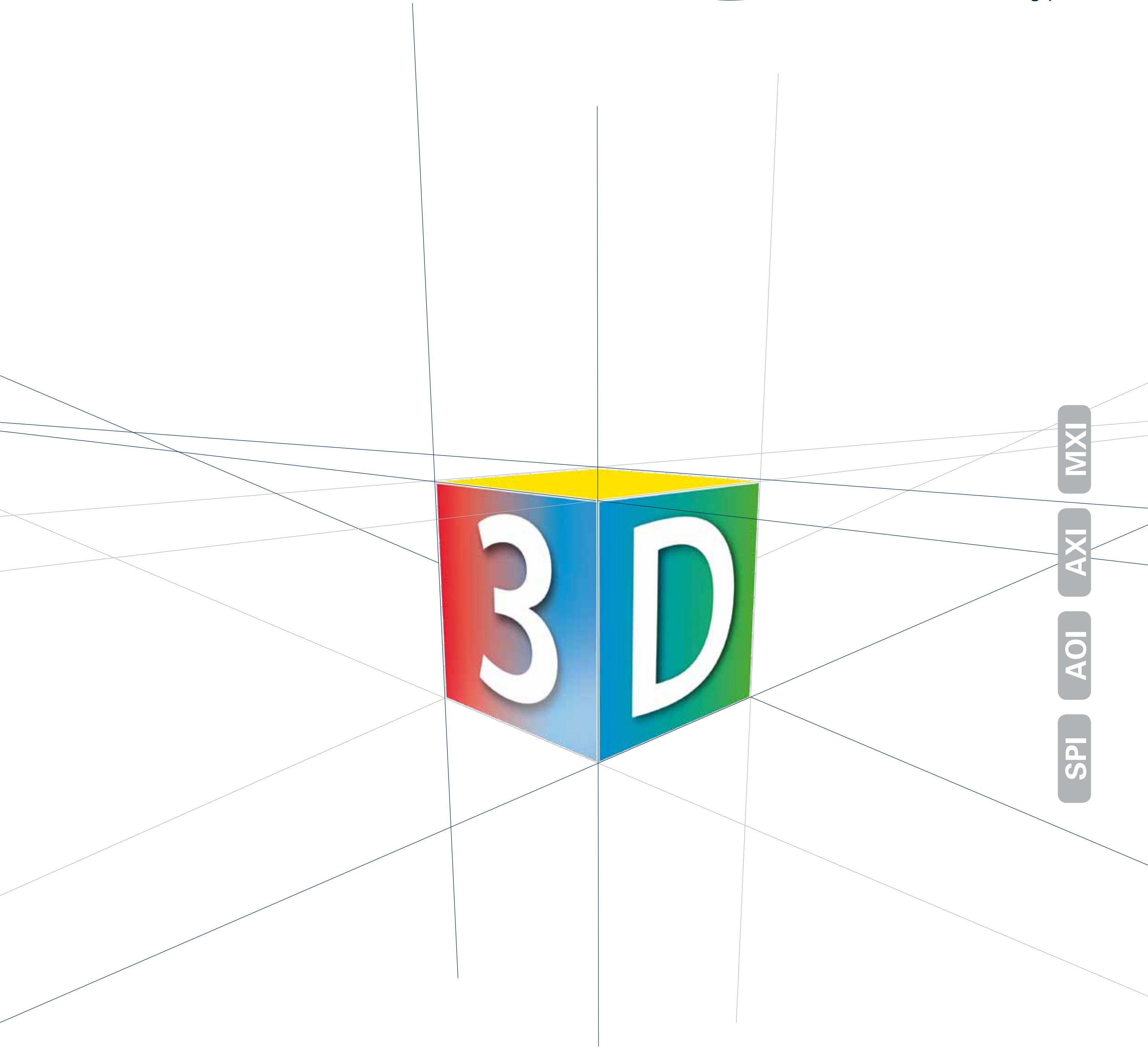
VISCOM
vision technology



ANNUAL REPORT 2013

CONTENTS

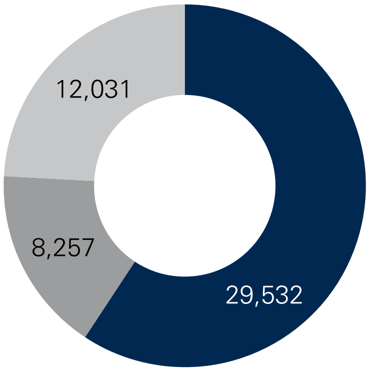
OPERATING FIGURES

		2013	2012
Profit and loss			
Revenues	K€	49,820	50,037
EBIT	K€	6,772	9,248
Net profit for the period	K€	4,723	6,638
Balance sheet and cashflow statement figures			
Total assets	K€	71,358	72,505
Equity ratio	%	86.3	85.9
CF from operating activities	K€	7,174	9,520
CF from investing activities	K€	-2,478	-1,594
CF from financing activities	K€	-5,331	-6,665
Cash and cash equivalents at end of period	K€	29,285	30,014
Shares			
Earnings per share	€	0.53	0.75
Dividend per share*	€	1.70	0.60
Employees			
Employees at year-end		300	286
Employees in annual average		296	285

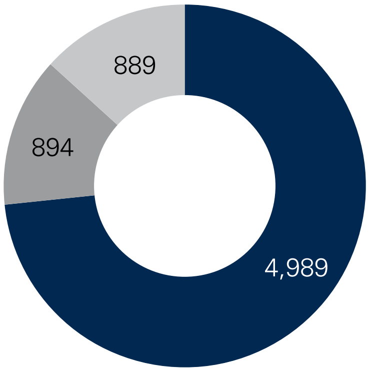
*Dividend proposal 1,70 € per share for the financial year 2013

SEGMENT INFORMATION

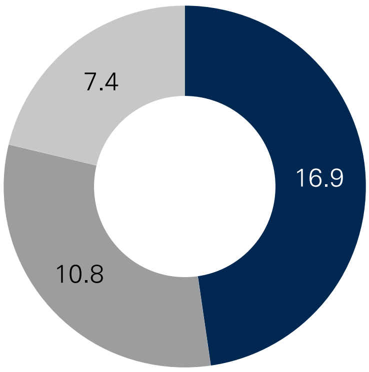
REVENUE
in K€



EBIT
in K€



EBIT-Margin
in %



Europe Americas Asia

FIGURES 2013

49,820
Revenue
in K€

6,772
EBIT
in K€

13.6
EBIT-Margin
in %

86.3
Equity Ratio
in %

13.8
Dividend Yield
in %

VISION TECHNOLOGY.

Looking ahead ...
... and reacting quickly

Viscom has successfully marketed its inspection solutions since 1984. The focus of the product portfolio is high-quality inspection systems for the electronics industry, particularly in automated optical inspection (AOI) systems, for solder paste inspection (3-D SPI), assembly and solder joint inspection, and X-ray inspection (AXI). Viscom is one of the global leaders in the field and the market leader in Europe.

We have a consistently forward-looking attitude.

Viscom is committed to meeting the challenges set by globalisation and rapid technological change, aware that this will be the only way of prevailing against our competition across the globe. Electronics are increasingly penetrating every area of life. Electronic assemblies are growing smaller and smaller, yet at the same time are taking on an increasing number of functions. This has consequences: Printed circuit boards are ever more densely populated, while the components used are shrinking at the same time quality demands are increasing. This technological diversification requires top-class inspection solutions: solutions that ensure product quality on the one hand, while on the other hand, ensuring the sustainable stability of increasingly complex processes. Customer requirements of Viscom inspection systems are therefore growing increasingly specific.

We look carefully at what the market needs and develop intelligent solutions for inspection systems: innovative, geared to future needs and of high quality.

FOREWORD FROM THE EXECUTIVE BOARD

Dear Ladies and Gentlemen,

2013 was an exciting year for us. Incoming orders in the first half of the year were the strongest ever in our company's history. As the year progressed, demand levelled off somewhat at the start of the second half of the year, but picked up again considerably towards the end of the year. Due to the rise in incoming orders, order backlog at the end of the year was up by approximately 14 % on the previous year, which in itself had been quite high. This increase is mainly attributable to the fact that in the previous year, we were unable to fully meet the high demand for our new XM camera technology that was only launched in 2013. Accordingly, a large number of orders had to be postponed to the 2014 financial year and we were unable to achieve the revenue targets set for 2013 in full.

However, we nevertheless yielded very good results in the 2013 financial year with EBIT of € 6.8 million and an EBIT margin of 13.6 %, which was in line with our expectations.

With our innovative inspection systems "made in Germany" and our outstanding customer service, we continued to win over our customers in Europe and successfully withstood competition from Asia. In the past financial year, Viscom's main sales market was still dominated by the debt crisis in Southern Europe and the resulting weakness in the automotive industry. These economic conditions had a negative impact on our revenue expectations.

Our Group strategy for the Asian market proved to be effective in 2013. A product portfolio specially adapted to the needs of this region has significantly improved our competitive position in this segment and has provided us with a solid foundation for future growth. The Global Application Team that was set up for this region, implementing customer-specific applications and conducting evaluations on site, has also met with extremely positive feedback from the Asian market. By providing consistent and continuous support to existing customers and acquiring new customers – increasingly outside of the automotive industry – we succeeded in raising our revenue in Asia by approximately 34 % on the previous year. Incoming orders for this region even increased by approximately 72 % year on year. Based on these successes, we are confident that we have made the right decisions in terms of advancing sustainable growth in the Asia region.

The North American market continued to perform well in 2013. Demand from the automotive electronics manufacturers was good across the board during the whole year and was disproportionately strong at the end of the year, so that we were unfortunately unable to fully meet this demand in 2013. Revenue was down slightly year on year.

We, the Executive Board and the Supervisory Board, want our shareholders to benefit from the positive performance of Viscom AG in this year as well, and will propose a dividend of € 1.70 per dividend-bearing share at the Annual General Meeting in May. In addition to the dividend from retained earnings in 2013 of € 0.42 per share, a special dividend of € 1.28 per share is to be distributed following the transfer of roughly € 22.6 million from the free capital reserve to increase retained earnings. After payment of the special dividend, the free capital reserve will amount to approximately € 11.2 million or € 1.25 per dividend-bearing share. This amount is to remain available for future dividend payments and/or share repurchase schemes.

Dirk Schwingel, Dr. Martin Heuser, Volker Pape
Executive Board

Having succeeded in launching numerous product advancements and innovations in 2013, we are optimistic about 2014. We are confident that we have created a basis for profitable growth and anticipate revenue of between € 55 million and € 60 million and an EBIT margin of between 13 % and 15 % in 2014.

We thank all of our employees, who have contributed to the success of our company with their commitment, expertise and conscientiousness in the past year. We thank our customers, business partners and you, our shareholders, for your loyalty to Viscom.

The Executive Board

Heuser

Dr. Martin Heuser Volker Pape Dirk Schwingel

REPORT OF THE SUPERVISORY BOARD

Bernd Hackmann
Chairman of the Supervisory Board

Prof. Dr. Claus-Eberhard Liedtke
Member of the Supervisory Board

Klaus Friedland
Deputy Chairman of the Supervisory Board

The section that follows comprises the Supervisory Board's report on its activities in the past 2013 financial year – the focal points of its monitoring and consultation functions, compliance with the Corporate Governance Code, and the audit of Viscom AG and the consolidated financial statements.

Dear Ladies and Gentlemen,

The 2013 financial year was another good year for Viscom AG. Although revenue fell short of our forecasts and stagnated at the previous year's level, the EBIT margin remained in line with our expectations. This shows that the company is in a solid position. We also continued to shift our revenue focus from Europe to Asia in the past financial year. The fact that incoming orders picked up again at the end of the year is evidence that our work on continuously developing and improving existing Viscom products has been well received by customers. These positive aspects give us reason to be optimistic about the 2014 financial year.

MONITORING MANAGEMENT

In the 2013 financial year, the Supervisory Board carried out the duties and obligations required of it by law and the Articles of Association, monitoring the Executive Board's management of the Company and regularly acting in an advisory capacity on corporate management issues making sure the Executive Board acted in accordance with rules and legal regulations. It also obtained regular, prompt, comprehensive information on the progress of business, the company strategy and its implementation, planning, the risk situation, risk management measures and compliance. The Supervisory Board constantly monitored management on the basis of written and verbal Executive Board reports and joint meetings, expecting explanations from the Executive Board of any deviations from plans and objectives for business developments, and the reasons for these. The Supervisory Board carefully examined transactions that were important for the business and that required its approval, and discussed each of them with the Executive Board. The Supervisory Board also ascertained that the Executive Board implemented and developed an effective and efficient corporate compliance system, and an internal risk management and control system for the Viscom Group.

STRUCTURE OF THE SUPERVISORY BOARD

In compliance with section 11, Paragraph 1 of the Articles of Association in conjunction with section 95 Sentences 1 to 4, section 96 (1), section 101 (1) of the German Stock Corporation Act (AktG), the Supervisory Board of the company consists of three members who are elected by the Annual General Meeting without it being bound by any proposals for suitable candidates. In the 2013 financial year, the three members of the Supervisory Board of Viscom AG were: Bernd Hackmann (Chairman of the Supervisory Board), Klaus Friedland (Deputy Chairman of the Supervisory Board) and Prof. Dr. Claus-Eberhard Liedtke. Their terms of office are identical and will end at the close of the Annual General Meeting which will approve the actions of the members of the Supervisory Board for the 2013 financial year.

MEETINGS OF THE SUPERVISORY BOARD

In the 2013 financial year, the Supervisory Board held nine regular meetings, including a meeting for the purposes of an efficiency assessment that excluded the Executive Board. These meetings took place on 5 February, 8 March, 19 March, 8 May, 28 May, 5 July, 20 August, 5 November and 3 December 2013. At these meetings, the Supervisory Board was given prompt and comprehensive information on current business policies, relevant aspects of company planning including financial, investment and personnel planning, the course of business, the company's current revenue, earnings and liquidity position, budget planning, the economic situation of the company and Group including risk factors and risk management as well as compliance within the Group, strategic objectives and all major organisational and personnel changes. All meetings were held in person. Resolutions on urgent matters were also passed outside of meetings, both in conference calls and in writing.

The Supervisory Board was involved in all decisions of fundamental importance to the company at an appropriately early stage. In addition, the Supervisory Board was presented with transactions requiring its approval. These were approved following detailed examination and discussion with the Executive Board. The Executive Board provided the Supervisory Board with the key figures required to assess business developments, in each case including comparisons to the current budget and to figures for the previous year, as part of monthly reporting. Reporting by the Executive Board took place on request respectively in response to specific enquiries by the Supervisory Board, and periodically according to the standing rules for the Executive Board established by the Supervisory Board. Additionally, the Chairman 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 from the Executive Board to the Supervisory Board focused on the revenue situation as well as its effects on the business operations of Viscom AG. The Supervisory Board discussed the organisation, including risk management, and the economic, financial and strategic situation of both the company and each of its business areas, as well as key questions of corporate policy and stra-tegy, with the Executive Board. Furthermore, the Executive and Supervisory Boards discussed developments on the international markets and at the sites of the company's subsidiaries in the US, Asia and France, as well as the general global competitive structure.

Key topics discussed in meetings of the Supervisory Board during the 2013 financial year included the strategic direction of the company and its further development, the business operations of the Group and the individual business areas.

At the Supervisory Board meeting on 8 March 2013, the Executive Board and Supervisory Board discussed possible diversification strategies and the further internationalisation of the Group as well as the expansion of sales activities.

The meeting to review the accounts on 19 March 2013 focused on the annual and consolidated financial statements for 2012, including the management reports, the Corporate Governance Statement and Corporate Governance Report as well as the Executive Board report on the relationships of Viscom AG to affiliated companies. During the meeting, which was also attended by the auditors, the Executive Board issued a comprehensive report to the Supervisory Board on the basis of detailed documents. In addition, the agenda and the proposed resolutions for the Annual General Meeting 2013 were approved.

At the meeting on 8 May 2013, the Supervisory Board chiefly addressed the development of business operations during the first three months of the year. The Executive Board also reported on the current status of the risk management system and the risk inventory conducted.

A detailed review of the Annual General Meeting took place at the meeting on 28 May 2013.

The meeting on 5 July 2013 focused on the extraordinary General Meeting. Specifically, the opportunities and risks of converting committed capital reserves to free capital reserves were discussed and the agenda and proposed resolution were approved.

Aside from a review of the extraordinary General Meeting, the main focus of the meeting on 20 August 2013 was the development of business in the first six months of 2013. The Executive Board and Supervisory Board also discussed and reviewed the Interim Report.

The main points of discussion at the meeting on 5 November 2013 were the Interim Report as of 30 September 2013, issues of compliance, and the internal control and risk management systems. The Supervisory Board also resolved to set up a nomination committee for planning the succession of the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke.

During their meeting on 3 December 2013, the Executive and Supervisory Boards discussed in detail and adopted the annual planning, including financial, investment and personnel planning, for the 2014 financial year on the basis of the extensive documentation. Another issue was the security of the company's IT structure.

The Interim Management Reports were also discussed with the Executive Board prior to their publication. Each Supervisory Board member attended all Supervisory Board meetings.

The remuneration of the Executive Board member Dirk Schwingel was adjusted in the reporting period. Furthermore, Dirk Schwingel signed a new Executive Board contract and under the same conditions with a term effective 1 June 2014 until 31 May 2018. His current Executive Board contract expires on 31 May 2014.

COMMITTEES

During its meeting on 5 November 2013, the Supervisory Board resolved to set up a nomination committee – composed of the Supervisory Board members Bernd Hackmann, Klaus Friedland and Prof. Dr. Claus-Eberhard Liedtke – for planning the succession of the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke.

CORPORATE GOVERNANCE

Information on the aspects of the company's corporate governance related to the Supervisory Board can be found in the Corporate Governance Statement in accordance with section 289a of the German Commercial Code (HGB) which is part of this Annual Report. Remuneration of the individual Supervisory Board members is reported in the Corporate Governance Statement printed in this Annual Report. There were no indications of conflicts of interest among the Executive Board or Supervisory Board members that must be declared to the Supervisory Board immediately and information of which must be provided at the Annual General Meeting. During the 2013 financial year, the Supervisory Board assessed the efficiency of its activities in line with the requirements of the German Corporate Governance Code. This took place on 5 February 2013. The meeting was conducted partially on the basis of checklists. In addition to the long-term assessment of past resolutions, the focus was on efficient cooperation within the Supervisory Board, between the Chairman of the Supervisory Board and the other Supervisory Board members, and between the Supervisory Board and the Executive Board. No essential points were identified that required improvement.

Moreover, the Executive and Supervisory Boards submitted the annual Compliance Statement confirming compliance with the German Corporate Governance Code on 21 February 2014. It has been made permanently available to the public on the Viscom AG website. The Executive Board, also on behalf of the Supervisory Board, reports on the company's Corporate Governance in the Corporate Governance Statement published by Viscom AG, in accordance with section 289a of the German Commercial Code (HGB).

ACCOUNTING

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hanover branch office, was elected by the Annual General Meeting of the company on 28 May 2013 as auditor for the annual and consolidated financial statements of Viscom AG as of 31 December 2013. The Supervisory Board then negotiated and awarded the audit assignment. It was agreed that the auditors should promptly report all findings and occurrences significant to the tasks of the Supervisory Board as they appear during the audit. Furthermore, it was agreed that the auditors are to inform the Supervisory Board respectively include a comment in the audit report if, in conducting the audit, the auditors become aware of any information indicating an inaccuracy in the Declaration of Compliance on the German Corporate Governance Code issued by the Executive Board and Supervisory Board.

The 2013 annual financial statements of Viscom AG prepared by the Executive Board in accordance with HGB (German Commercial Code) and the consolidated financial statements prepared according to International Financial Reporting Standards (IFRS), as adopted by the EU, as of 31 December 2013, as well as the management and group management reports together with the accounting records, were audited by the auditor who issued an unqualified audit opinion.

The audit focused especially on the recognition of revenue, the valuation of inventories and the impairment test of investments in the annual financial statements and cash-generating units in the consolidated financial statements, compliance with the reporting obligations pursuant to GAS 20 in the (Group) management report and the financial reporting of capital measures resolved at the extraordinary General Meeting. In addition, the auditor inspected Viscom AG's existing early risk detection system in accordance with section 317 (4) of the German Commercial Code (HGB) and, as a result of this assessment, came to the conclusion that the statutory obligations of management with regard to 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 PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft. 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."

The Supervisory Board meeting to review the accounts took place on 18 March 2014. The annual financial statements, consolidated financial statements and audit reports, Executive Board report on the relationships of Viscom AG to affiliated companies, the Executive Board's proposal for the use of retained earnings, 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 to review the 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, its own examination and discussion of the annual financial statements, consolidated financial statements, management report, group management report and the Executive Board's proposal for the use of retained earnings, the Supervisory Board consented to the results of the audit. The Supervisory Board determined that no objections were to be raised following the final results of its examination. In its accounts review meeting on 18 March 2014, the Supervisory Board approved the annual financial statements, consolidated financial statements as well as the management report and group management report for the 2013 financial year (section 172 (1) of the German Stock Corporation Act (AktG)).

The Supervisory Board approved the proposal from the Executive Board on the appropriation of net retained profits.

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 18 March 2014, it determined that after the final result of its review, there are no objections to be raised against the declarations of the Executive Board at the end of the report on relationships with affiliated companies.

The Supervisory Board would like to thank the members of the Executive Board, the management of the subsidiaries, the works council as well as all employees of the company for their very hard work, their achievements in the 2013 financial year and their commitment to the interests of the company.

Hanover, 18 March 2014

For the Supervisory Board

Bernd Hackmann
Chairman of the Supervisory Board

VISCOM SHARES

BASIC INFORMATION ON VISCOM SHARES

WKN	784686
ISIN	DE 000 7846867
Abbreviation	V6C
Listing	Regulated market (General Standard)
Category	No-par value bearer common share
Share capital in €	9.02 million
Share capital in units	9,020,000
Number of voting shares	8,885,060

		2013	2012	2011
Year-end share price (*)	€	12.30	7.60	6.20
Highest share price during the year (*)	€	12.60	8.69	7.72
Lowest share price during the year (*)	€	7.66	6.20	5.60
Market capitalisation (end of year)	million €	110.90	68.55	55.92
Earnings per share	€	0.53	0.75	0.96
Dividend per share	€	1.70	0.60	0.75

(*) All share price information are based on XETRA daily closing prices

MARKET CONDITIONS

After the past years of global financial and economic crisis and the European debt crisis, 2013 was largely free of turbulence on the financial markets. The international stock markets performed well on the whole. Although downturns were inevitable, these were often the result of political influences. The past year has generally raised hopes of economic stability and a more relaxed market environment.

The DAX and other European indices got off to a restrained start in 2013, which was due initially to the sobering economic outlook for Europe. Developments in Italy and Spain, but in particular the Cyprus crisis, repeatedly led to falling share prices, with the DAX even dropping to an annual low at the start of the second quarter.

The markets were poised for record levels at the beginning of the second half of the year. For the first time in its history, the leading German index, the DAX, surpassed the 9,000-point mark at the end of October 2013, a positive trend that continued until the end of the year. This was especially due to the availability of "cheap" money from the central banks. Low interest rates rendered other investments, such as term deposits or bonds, an unattractive option. Owing to the lack of alternatives, investors increasingly saw the stock market as an attractive investment. The economic recovery on both sides of the Atlantic and further calming of the euro crisis also benefitted the more favourable environment for shares.

VISCOM SHARE PRICE

The Viscom share price saw a significant year-on-year rise in value of roughly 62 % in the 2013 financial year.

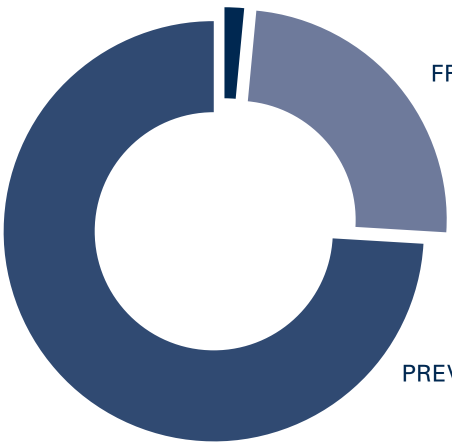
Performance of Viscom shares at the start of the 2013 trading year was initially similar to that of the European indices. Due to the positive news about Viscom Group's business development, Viscom shares gained approximately 20 % between the end of March (when the figures for 2012 were published) and the end of May (the Annual General Meeting) and clearly outperformed the DAX and TecDAX.

The resolution of the extraordinary General Meeting to make equity management at Viscom AG more flexible and release tied-up capital for future dividend payments to shareholders and/or share buy-back programmes raised expectations on the capital market even further. This helped the share price to another rise of approximately 24 % between July and October.

Viscom shares came under pressure for a short time in early November following the adjustment of the revenue forecast. However, shares recovered quickly amidst a positive market environment and the prevailing optimistic mood on the capital market and continued to gain appreciably in the following weeks until the end of the year. Viscom shares reached their highest price in the reporting period on 20 December 2013, trading at € 12.60 and closed on 30 December 2013 at € 12.30.

SHAREHOLDER STRUCTURE

The high degree of involvement by Viscom AG company founders and CEOs Dr. Martin Heuser and Volker Pape shapes the shareholder structure of the company. 74.05 % of the shares are held by Dr. Martin Heuser and Volker Pape, either directly or via HPC Vermögensverwaltung GmbH. On 31 May 2013, HPC Vermögensverwaltung GmbH acquired the approximately 1.3 million Viscom shares offered by Grünwald Equity Beteiligungs V2 GmbH off-market.



Viscom AG owns 1.50 % of its own shares, which the company bought back in 2008 / 2009 as part of a share buy-back programme.

The 24.45 % of shares that are free floating are spread principally among investors in Germany and other European countries.

ANNUAL GENERAL MEETING 2013

The Annual General Meeting of Viscom AG took place on 28 May 2013 in Hanover. All agenda items were adopted by the shareholders and shareholder representatives with the necessary majority. Among other things, it was decided at the Annual General Meeting to pay a dividend of € 0.60 per share. This corresponds to a payout ratio of approximately 80 % with regard to the Group's net profit for the period amounting to € 6,638 thousand.

EXTRAORDINARY GENERAL MEETING 2013

An extraordinary General Meeting took place on 20 August 2013. As of 31 December 2012, Viscom AG possessed committed capital reserves in accordance with section 272 (2) (1) of the German Commercial Code (HGB) amounting to approximately € 37.1 million. The extraordinary General Meeting held on 20 August 2013 agreed to convert a part of the committed capital reserves (approximately

€ 22.6 million) into free capital reserves (section 272 (2) (4) HGB) by way of increasing share capital from corporate funds without issuing new shares and a subsequent reduction in capital. This is in accordance with the proposals by the Executive Board and Supervisory Board published on 10 July 2013 in the German Federal Gazette. The conversion offers Viscom AG increased opportunities for flexible and efficient equity management in line with capital market requirements. The necessary entries in the commercial register were made, and the qualifying period specified in section 225 (2) of the German Stock Corporation Act (AktG) expired on 28 February 2014. The capital reduction amount is now available for potential dividend payments and/or share buy-back programmes.

DIVIDEND / SPECIAL DIVIDEND

At the Annual General Meeting on 27 May 2014, the Executive Board and Supervisory Board will propose a dividend of € 1.70 per dividend-bearing share. In addition to the dividend from retained earnings in 2013 of € 0.42 per share, a special dividend of € 1.28 per share is to be distributed following the transfer of approximately € 22.6 million from the free capital reserve to increase retained earnings. After payment of the special dividend, the free capital reserve will amount to approximately € 11.2 million, or € 1.25 per dividend-bearing share. This amount is to remain available for future dividend payments and/or share buy-back programmes.

VISCOM SHARE PRICE in comparison to the DAX and TecDAX

Source: www.ariva.de, Period: 02.01.2013 – 31.12.2013

The objective of our investor relations work is to allow all participants in the capital market the opportunity to evaluate Viscom AG fairly. We do this by means of continuous, open communication. The company held numerous one-on-one meetings with analysts and investors in 2013. All information on Viscom shares is published as it becomes available on our website at www.viscom.com/europe under Investor Relations.

OUR TECHNOLOGY *innovative. competent.*

Viscom's success is built on technological leadership.

We maintain our technological leadership with product advancementsand innovations. By conducting industry-specific market analysis and partaking in regular exchange with our customers from different sectors, we can detect market trends early on and develop **customised inspection solutions.** Our development work is also based on scientific findings. Together with the Gottfried Wilhelm Leibniz Universität Hannover, we promote such a transfer process of research and development projects that use scientific know-how to find solutions to specific corporate issues.

Viscom systems are state-of-the-art technological products, which are used successfully around the world to improve the **efficiency and quality** of electronics production. For many years now, Viscom's product portfolio has covered the complete spectrum of SMT production inspection. Viscom's main target group is the electronics industry, especially the sub-sectors automotive, telecommunications, aviation and aerospace engineering and medical technology. All of the company's products are developed and manufactured at our Hanover site.

OUR TECHNOLOGY *innovative. competent.*

Intelligent Viscom inspection solutions for complex performance requirements.

Electronics production has undergone rapid development in recent decades. Circuit boards are becoming increasingly complex in design, while the components are getting smaller and smaller, which means that reliable quality inspections can generally no longer be carried out by the naked eye. In addition, a **"zero defects strategy"** is now being pursued that is particularly expected when it comes to manufacturing safety-related products. This is exactly where our intelligent technologies for various sectors and industries come into play. Viscom inspection systems work with high-performance camera modules, most of which are developed in-house. With the help of different-coloured lights and the ability to view test objects from different angles, our systems can also reliably detect three-dimensional features. In combination with high-performance transport concepts and intelligent image processing, Viscom inspection systems achieve **extremely short cycle times and highest inspection depth** – whether for inspecting the smallest solder joints, correct parts placement or the solder paste. Viscom systems can also reliably inspect for a wide range of defects in wire bond connections and transparent protective coatings.

OUR TECHNOLOGY *innovative. competent.*

We not only look carefully at what the market needs, but also listen to our customers.

Viscom customers not only expect our innovative inspection systems to quickly and reliably detect manufacturing errors, but also expect their data to be available for higher-level production control. Viscom's Quality Uplink goes one step further. All inspection systems along the production line exchange information and will automatically adjust so that the inspection follows the interactions of the steps in the process. All inspection data, such as from **Viscom's 3-D solder paste inspection system,** can be displayed at the verification station and compared with the X-ray inspection images. The **Viscom Quality Uplink** makes it possible to better understand process limits and link all inspection data and results in such a way that they are available where they are needed. This improves quality and increases throughput, which in turn conserves valuable resources and optimises manufacturing costs. The rapid development of the electronics industry means that companies are constantly faced with new challenges. Working closely with our customers, Viscom bases its inspection systems on the latest trends and requirements in SMT production. From the start, our technology was designed to also inspect 3-D characteristics such as 3-D solder paste inspection or the 3-D functions of off-line and in-line X-ray inspection, up to complete microfocus computed tomography systems for volume reconstruction. At Productronica 2013, we presented the latest building block in the

expansion of our 3-D performance spectrum: the **3-D function in the AOI high-performance XM camera module.** In conjunction with the powerful XM module, this configuration produces an optimal combination of all individual measurement principles in the field of AOI, thus creating a comprehensive optical inspection system.

Our innovative AOI operation is straightforward, convenient, and fast. The new **vVision software** revolutionises the way users can operate Viscom inspection systems, thanks to easy touchscreen navigation. There are only three operating modes in vVision: CAD transfer, optimisation and automatic operation. The **clear and intuitive user interface** makes unnecessary entries and complicated navigation a thing of the past, so even inexperienced system operators can quickly and easily set up an efficient inspection program.

Viscom **X-ray inspection systems** are used in all applications where defects need to be detected using non-destructive inspection technology. The range of applications is diverse and covers a wide variety of industries and inspection tasks from testing materials for cracks and air pockets through to contaminations and form deviations. Electronics industry trends such as increased manufacturing with miniaturised housings and putting components inside the assembly interior also make quality testing necessary in order to be able to detect hidden faults safely and cost-effectively.

OUR MARKET *global.*

Branch office
San José, USA

Subsidiary
Atlanta, USA

Subsidiary
Paris, France

Application / Training Centre
Guadalajara, Mexico

We are everywhere our customers need us to be.

Source: www.fotolia.de

Headquarters
Hanover, Germany

Branch office
Munich, Germany

Subsidiary
Shanghai, China

Subsidiary
Tunis, Tunesia

Subsidiary
Singapore, Singapore

OUR MARKET *global.*

We provide service at the highest level.

Our sales, applications and service areas are there for our customers worldwide. Direct communication guarantees trouble-free system integration, a customised application focus, fail-safe quality, optimised workflows, and not least, consistent support. Viscom remains committed to all these considerations even after the commissioning of an innovative high-tech product. We have been proving this year after year since 1984. Our systems are used in every branch of industry where **100 % quality assurance and process optimisation** count: from automotive electronics to aerospace technology and industrial electronics.

We are clear about what our customers expect from us: **quality and safety.** Material weaknesses and production errors have economic disadvantages for manufacturers and, particularly in the automotive industry, severe consequences for the end user. That's why renowned companies all over the world trust Viscom systems.

We're speaking our customers' language.

We are **represented around the world** by our network of subsidiaries, application centres and service centres in Europe, Asia and America, as well as local representatives. This allows us to guarantee direct contact, first-class service and a close, comprehensive support network.

Viscom engineers develop application-oriented inspection solutions in close cooperation with our customers. In addition, we effectively stand out from the competition by offering our customers a **comprehensive range of services** based on individual support packages worldwide, seven days a week, 24 hours a day.

In geographic terms, Viscom Group's main business incorporates the European, Asian and American markets. The market with the highest revenue for Viscom Group is Europe, where we have a high market share in the automotive sector, above all. We were able to continue expanding our strong position in the Asia and America regions in the past financial year. As investment activity is increasingly shifting from Europe to other international growth regions such as China, it is precisely these regions that are of great importance for our business. We are in a position to respond to the prevailing competition and pricing pressure in these markets with a **customised product portfolio** in different service and price segments. This enables us to participate in investment opportunities and significantly increase our presence on the international market. Our export rate in the 2013 financial year was already 67 % (previous year: 59 %).

OUR TEAM *motivated.*

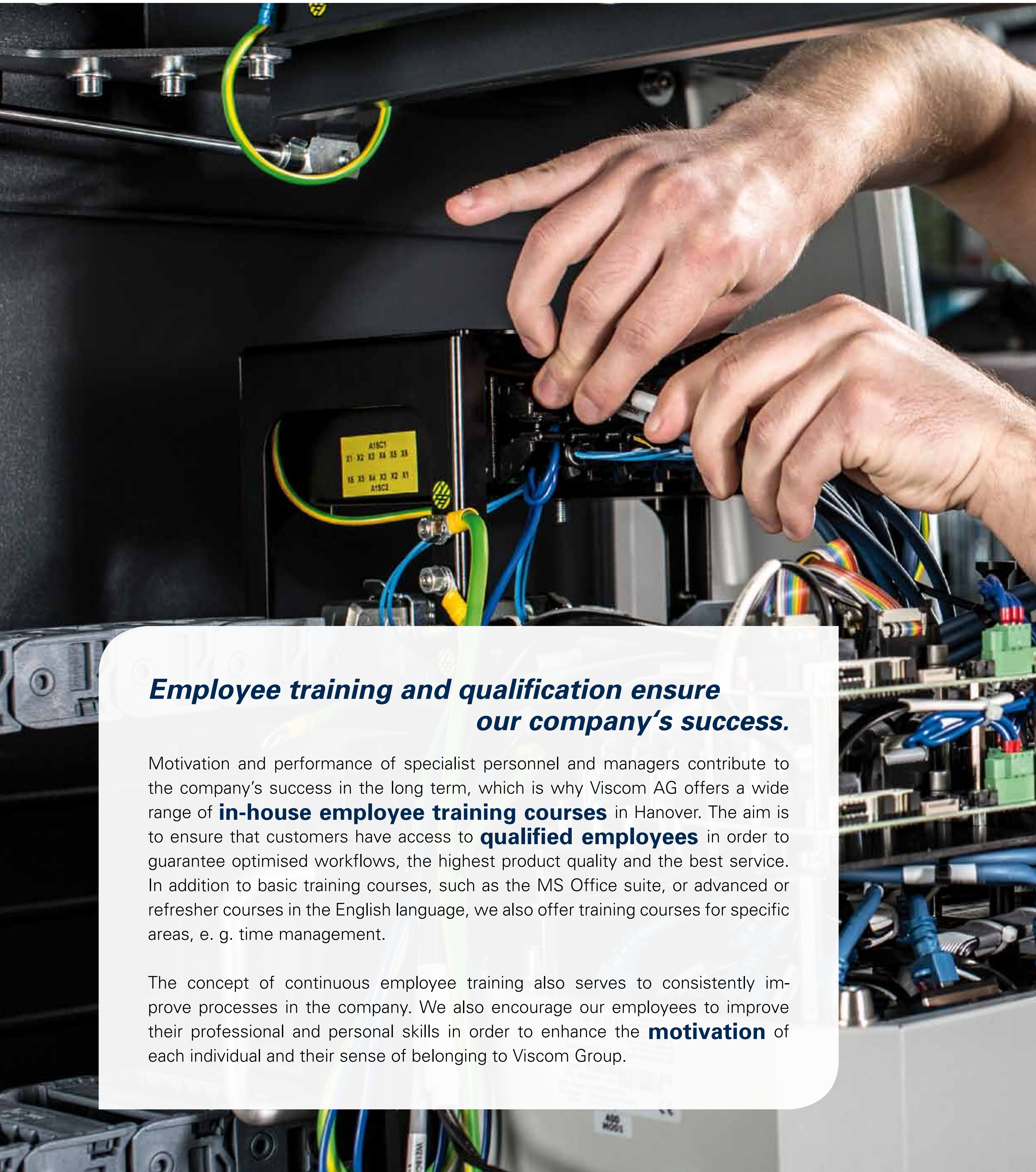
Viscom – an employer with an attractive corporate culture.

We take our responsibility for our employees very seriously, as motivated and creative employees are crucial to the success of our Group. We ensure positive working conditions for our employees: a team-oriented business culture, a modern working environment and work / life balance. Low employee turnover, high morale and a **feeling of togetherness** illustrate that employees identify strongly with their company.

Our global employees are worldwide connected.

Approximately 300 employees worldwide live our attractive corporate culture. **Open dialogue** between all employees both within and beyond national boundaries enables teams to improve the way they **work together** and allows knowledge to be passed on, something without which our technological leadership would not be possible. The annual International Sales and Service Meetings are attended by all service and sales employees worldwide as well as our representatives from our Hanover site. The meetings enable employees to exchange their experiences face-to-face, while training sessions conducted by experienced Viscom employees ensure that all employees **worldwide have the same level of knowledge.**

OUR TEAM *motivated.*



Employee training and qualification ensure our company's success.

Motivation and performance of specialist personnel and managers contribute to the company's success in the long term, which is why Viscom AG offers a wide range of **in-house employee training courses** in Hanover. The aim is to ensure that customers have access to **qualified employees** in order to guarantee optimised workflows, the highest product quality and the best service. In addition to basic training courses, such as the MS Office suite, or advanced or refresher courses in the English language, we also offer training courses for specific areas, e. g. time management.

The concept of continuous employee training also serves to consistently improve processes in the company. We also encourage our employees to improve their professional and personal skills in order to enhance the **motivation** of each individual and their sense of belonging to Viscom Group.

We invest for the future.

We consider the education of young people to be an investment in the future and an obligation to society. We give our trainees the opportunity to **start their careers** in a modern and dynamic working environment. At the Hanover site, we currently offer apprenticeships in the following four professions: industrial business management, IT specialist for systems integration, electronics technician for devices and systems as well as specialists for warehouse logistics. The **trainees** acquire the relevant specialist knowledge from the corresponding departments. Once they have passed their final exams, we offer our trainees a contract of employment with our company.

OUR TEAM *motivated.*

Health management – integral part of our corporate culture.

Safe work practices and protecting the health of employees are fundamental principles that we respect and take seriously. Occupational health and safety, environment and fire protection, and business security are an integral part of our corporate culture.

Occupational safety is of utmost importance to our company. We regularly follow up on courses of instruction, catalogues of hazardous substances and risk analyses. In addition, we have a trained occupational safety officer, a CE and radiation safety officer, and first responders.

To ensure the high standard of safety at Viscom AG, a **works fire department** was established at the company in 2008. Six employees, who are also active in the volunteer fire service in their spare time, provide professional fire protection, emergency medical services and technical assistance in the company aside from their work at Viscom.

Viscom AG regularly promotes **health and well-being** in the workplace by offering medical check-ups and vaccinations. In addition, Viscom assumes the costs for a gym membership and supports sporting events such as the Hanover company run. Running enthusiasts at Viscom have already taken part in the Hanover company run three times. The run is not just about personal performance, but also about fun and team spirit.

OUR TEAM *motivated.*

We practice the compatibility of family life and career.

Striking a balance between private and professional interests is key to driving **job satisfaction and ensuring that employees are high performing.** We actively contribute towards this by offering working models such as employment contracts with flexible working hours, part-time contracts and home office arrangements.

We offer our qualified employees career prospects while enabling them to start a family and return to work without difficulty. Our in-house **child care facility „Vikis“** at the Hanover site offers space for 15 children between the ages of one and three, who are looked after by trained, caring staff throughout the whole day.

OUR COMMITMENT *a forward-looking attitude.*

Source: www.shutterstock.com

Civic participation: a matter of importance.

As an international company, we take our responsibility to society very seriously and see this commitment as an important factor in sustainable business success. We are involved in a number of projects which we either **sponsor or make donations** to. Our strategy includes a focus on sustainable initiatives that are related to the company's business activities. First and foremost, we support projects in the field of education and science.

Viscom AG is a member of Wissensfabrik (Knowledge Factory), a joint initiative of over 100 companies and foundations that aims to make Germany better equipped for the future as a business location and get the next generation ready for global competition. Wissensfabrik is involved in educational projects across the country and campaigns for start-ups and young entrepreneurs. In our home city of Hanover, we work with registered association Kind-Wissen-Zukunft (KiWiZ e.V.), regarding **educational projects** of Wissensfabrik. As part of the research prize organised by KiWiZ e.V. last year, over 80 children filled our foyer, presenting their projects with a great deal of fun and enthusiasm. The specially designed technology kits, which the children, assisted by their teachers, use in primary schools and kindergartens to develop and realise technical projects, are a central element of the initiative.

OUR COMMITMENT *a forward-looking attitude.*

We sponsor projects worldwide.

Education and science also play an important role in other regions of the world. For example, many developing countries still do not have a functioning infrastructure and basic needs are not being met. The non-profit organisation **Ingenieure ohne Grenzen** (Engineers Without Borders) plans technical aid projects, carries them out at the local level and ensures that they can be continued independently when they are no longer on site. Successfully implementing projects and giving people a better quality of life is dependent on financial support. Our donations help to fund these endeavours.

GROUP MANAGEMENT REPORT AND IFRS CONSOLIDATED FINANCIAL STATEMENTS 2013

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GROUP MANAGEMENT REPORT 2013 DESCRIPTION OF THE GROUP

GROUP BUSINESS MODEL

Structure of the company and its investees

Viscom AG, Hanover (hereafter: Viscom AG), is the parent company of the Viscom Group (hereinafter referred to as Viscom). With subsidiaries in Asia, America, Europe and Africa that are directly or indirectly majority or 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 mutual exchange and utilisation of knowledge and experience. Production takes place exclusively in the Group's home base Hanover. This means that Viscom enjoys the production advantages of one 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 74.05 % are held directly or indirectly by the company's founders and Executive Board members Dr. Martin Heuser and Volker Pape.

Axxion S.A., Luxemburg-Munsbach, Luxemburg, informed the company on 21 December 2007 that its voting rights in Viscom AG had exceeded the 3 % threshold on 20 December 2007 in accordance with section 1 of the Securities Trade Act (WpHG) and now stands at 3.1 % (this corresponds to 280,579 votes).

As of 31 December 2012, Viscom AG possessed committed capital reserves in accordance with section 272 (2) (1) of the German Commercial Code (HGB) amounting to approximately € 37.1 million. The extraordinary General Meeting held on 20 August 2013 agreed to convert a part of the committed capital reserves (approximately € 22.6 million) into free capital reserves (section 272 (2) (4) of the German Commercial Code (HGB)) by way of increasing share capital from corporate funds without issuing new shares and a subsequent reduction in capital. This is in accordance with the proposals by the Executive Board and Supervisory Board published on 10 July 2013 in the German Federal Gazette. The conversion offers Viscom AG increased opportunities for flexible and efficient equity management in line with capital market requirements. The necessary entries in the commercial register were made and the qualifying period pursuant to section 225 (2) of the German Stock Corporation Act (AktG) expired on 28 February 2014. The capital reduction amount is available for potential dividend payments and/or share buy-back programmes.

On 29 July 2008, the Executive Board, with the approval of the Annual General Meeting on 12 June 2008 and after consultation with the Supervisory Board, decided to acquire up to 902,000 of the company's own shares by 31 March 2009. By the reporting date of 31 March 2009, the company had bought back 134,940 shares. As of 31 December 2013, Viscom AG held approximately 1.5 % of its own shares.

The Executive Board of Viscom AG consisted of three members as of 31 December 2013:

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

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

Bernd Hackmann (Chairman)
Klaus Friedland (Deputy Chairman)
Prof. Dr. 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, China. The sales company in Tunis, Tunisia, a subsidiary of the French subsidiary, is allocated to the geographical segment Europe. The company is developing the North African sales market.

Viscom AG has a branch office in Munich for supporting its sales activities in southern Germany, Austria, Hungary and Switzerland. In addition, Viscom Inc. has a branch office in San José, USA, to support sales in the west American region. These branch offices operate as legally dependent sales offices for the sale of Viscom's inspection systems.

Business processes

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

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

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

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

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

Legal and economic factors

There have been no fundamental changes in the legal and economic framework which had a material effect on the company in the 2013 financial year.

The debt crises, the future of Europe, the low interest rates and fast pace of technological change will continue to shape the economy and politics. The willingness of Viscom customers in the main markets to invest was somewhat depressed in the first quarter of the year under review, but revived considerably in the following quarters.

Management system

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

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

The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies. They provide information on revenue in its machine installation regions, 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.

Since the company was listed on the stock exchange and changed from the Prime Standard to the General Standard in September 2009, IFRS quarterly financial statements are published in the form of Interim Management Reports and Interim Reports.

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.

Viscom works continuously on developing new and improving existing products. The highlights in 2013 included the new XM camera technology and the Quality Uplink function.

Once more, Viscom strengthened its innovative capacity and leading position in component inspection with the new XM camera technology. The new XM module is one of the fastest AOI camera systems on the market. Inspection times with the new module are half those of the 8M technology used by older sensor modules; at times, the new module is three times faster. This means, for example, that the new sensor module can take 70 images per second instead of the ten images per second that is currently the case.

The Quality Uplink function combines the results of individual process steps, thereby allowing effective process checks and an improved analysis of the results. All inspection systems along the production line exchange information and automatically adjust so that the inspection follows the respective steps in the process. This improves quality and increases throughput.

This intelligent software package also brings together the extensive inspection results so that these can be used for process control. All information is compiled into a single report in order to improve and document the production process; this report may include, for example, a comparison of images of soldering joints together with the corresponding paste print images and volume measures.

Another building block of research and development in the last several years has been the successful transfer of scientific findings into practical uses at Viscom. Together with the Gottfried Wilhelm Leibniz University Hanover, we promote such a transfer process as part of research and development projects that work on solutions to specific corporate issues using scientific know-how.

Increasingly more electronic assemblies have a protective coating against external factors such as humidity or chemicals. Viscom has developed an inspection system for these specific market needs, which can detect whether the protective coating has been applied perfectly or has defects such as bubbles for example. The inspection system S3088 CCI (Conformal Coating Inspection) will expand Viscom's product portfolio and complement the tried and tested S3088 system platform.

In 2014 Viscom will introduce the new X8068 system, the latest member of the manual and semi-automatic inspection family. The system is big enough for electronic objects up to a size of 60x60 centimetre or workpieces with these dimensions which contain various components. The system has a fast x-y-z manipulator, which can position the objects being inspected in the X-ray beam. Each point of the object can be X-rayed from a radiation angle between 0 and 60 degrees and from any rotational position. A high-resolution flat panel detector is used as a sensor.

While the XM module was originally only planned as part of the S6056 inspection system, it has now been successfully integrated into the S3088 system platform.

Using a high-speed transport systems and the vVision image analysis software, the S3088 Ultra is the ultimate inspection system for soldering joints. In the 2014 financial year, Viscom will offer the newly developed high-speed sensors and XM camera technology for soldering joint inspection as part of the well-known S3088 Ultra. The XM module allows several cameras to simultaneously inspect electronic assemblies for faulty soldering joints at high speed.

Each detail can be optically scanned from up to nine directions and illuminated with several light sources. As an additional option, a special light projector can be used to take a number of images, which can be subsequently evaluated using 3D scene geometry.

A high-speed 3D X-ray system (X7058) is also in the pipeline. A prototype of this inspection system is to be presented at the end of 2014. The particularity of this system is its compact structure for large inspection objects and minimum handling time. The 3D inspection uses an in-house developed sensor, which, like the latest Viscom camera technology, has a high-speed data interface. The Quality Uplink function and the connection to the Viscom verification station and off-line programming station are of course available for the new X-ray inspection system.

Expenditures for research and development, excluding customer-specific development, amounted to 8.5 % of revenue (previous year: 7.8 %). Developments costs totalling € 2,275 thousand (previous year: € 1,374 thousand) were capitalised in the 2013 financial year, which corresponds to a capitalisation ratio of approximately 54 % for 2013 (previous year: approximately 35 %). Capitalised development costs were amortised at € 477 thousand (previous year: € 219 thousand).

Basic principles of the remuneration system

The remuneration report for Viscom AG Executive Board and Supervisory Board members is included in the corporate governance report as part of the management report.

ECONOMIC REPORT

MACROECONOMIC AND SECTOR DEVELOPMENT

Macroeconomic development

The long-lasting recession, particularly with regard to the European debt crisis, continued to have an impact in 2013. However, fears in the euro zone eased somewhat. In spring 2013, the economic upswing gradually began to take hold, particularly in industrialised countries. After a marked decline, real gross domestic product picked up again slowly in Europe during the second quarter thanks to stronger production figures in European countries.

Growth in the Americas was moderate. However, it was limited in terms of corporate investment activities owing to the political debate on tax and economic policy. Private consumption on the other hand increased sharply. Spending on durable goods such as cars was significantly higher. This trend was primarily driven by the positive employment data in the USA.

Asia saw a decline in demand owing to weaker economic growth in Europe and the USA. While China still registered solid economic growth, it was much weaker than in previous years. This is largely attributable to intensifying competition, the government's plans to transform the country into a high-quality production location and rising wages.

Economic growth also slowed in the other BRIC countries (Brazil, Russia and India), mainly due to infrastructure bottlenecks, demographic factors and lower productivity.

After years of global financial market and economic crises and the European debt crisis, 2013 was a relatively turbulence-free year for capital markets.

Global stock markets were generally positive. Although some prices did fall, it was largely a result of political factors.

Sector developments

Inspection of electronic assemblies is Viscom's main revenue contributor. Viscom largely operates in the electronics industry, one of the world's largest industries.

Technical developments in the electronics industry have been an innovation driver for Viscom over the last few years. Both the volumes and quality requirements of increasingly complex and miniature electronic assemblies are seeing constant growth and can therefore only be reliably tested by automated inspection systems. The automotive-electronics sector is the main market for Viscom products. Although it was still impacted by the global recession in 2013, the sector started to show signs of an upward trend towards the middle of the year, which could indicate a positive trend for the future.

In recent years, Viscom has intensified its efforts to gain a foothold in other industries such as telecommunication, industrial electronics and semiconductor production, thereby reducing its dependence on the automotive sector. Viscom is already very well positioned among European SMEs. The company also continues to focus on Asian Electronic Manufacturing Services (EMS) in the Computers, Communication and Consumer (3C) sector.

The German mechanical engineering sector is becoming increasingly dependent on international markets. Customers in this sector are investing more in capacities abroad. This underscores the increasing international focus of companies and low levels of domestic investment.

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 at 85 % of revenue (previous year: 91 %). Some of these companies are involved in production for end consumers. However, the majority of Viscom's customers are suppliers for other companies that manufacture products like electronic assemblies which are integrated into end products as parts from suppliers – for example, motor controllers in vehicles.

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

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

Due to rising technological demands, 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 rejects and therefore higher levels of production efficiency. At the same time, Asian electronics manufacturers in particular are trying to position themselves as premium suppliers although they were still seen as low-price suppliers just a few years ago.

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

Customer structure

Viscom generated approximately 54 % of its revenue with its five largest customers (previous year: 59 %). A further 30 % of revenue was generated with 28, and the rest with 292 different customers.

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. The automotive electronics sector takes up a particularly high volume in this respect. Viscom has been one of the world's leading providers of inspection systems for quality assurance in the sector for many years.

Technological developments and subsequent technical and economic progress combined with its international sales and service presence helped Viscom to strengthen its market position and achieve greater customer retention in the long term.

By continuously developing its products, improving its business processes and adapting its sales organisation to the changing general conditions, Viscom is able to face the challenges of the future and thereby continue to assert its successful market position.

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

ACTUAL KEY PERFORMANCE INDICATORS IN 2013 COMPARED TO FORECAST

Performance indicator	Forecast for 2013	Actual figure 2013
Revenue	Increase of approximately 10 % to previous year (2012: € 50,037 thousand)	€ 49,820 thousand
EBIT margin	13 – 17 %	13.6 %

RESULTS OF OPERATIONS

Incoming orders / order backlog

At € 50,960 thousand, incoming orders for 2013 were up on the value of € 47,427 thousand for the previous year. Order backlog increased to € 9,442 thousand at the end of 2013 (previous year: € 8,302 thousand).

Development of revenue

Revenue amounted to € 49,820 thousand in 2013 and is on par with the previous year (previous year: € 50,037 thousand). Quarterly revenue in the 2013 financial year varied greatly and was very unstable. Revenue for the first quarter of 2013 was € 10,560 thousand (previous year: € 13,741 thousand), down 23.1 % year on year. In the second quarter of 2013, Viscom's revenue was up 27.8 % at € 13,617 thousand (previous year: € 10,658 thousand). Revenue amounted to € 11,641 thousand in the third quarter and was on par with the previous year (previous year: € 11,540 thousand). In the closing quarter of 2013, revenue was € 14,002 thousand (previous year: € 14,098 thousand), on par with the figure in the previous year.

Operating profit

Operating profit decreased by 26.8 % compared to the previous year. This was largely attributable to the changes in finished goods and work in progress as well as higher staff costs. Cost of materials rose slightly to 32.6 % of revenue in 2013, compared to 31.6 % in 2012.

The ratio between staff employed and revenue rose from 35.8 % in 2012 to 39.1 % in 2013 due to the rise in the number of employees over the course of the year, the wage and salary adjustment in 2013 and the increase in provisions for residual holidays, over-time and bonus payments. The ratio of other operating expenses increased from 21.5 % in the previous year to 23 % in 2013, mainly due to expenses relating to the extraordinary General Meeting and higher trade fair costs. The recognition of company-produced assets to the amount of € 2,275 thousand (previous year: € 1,374 thousand) and the rise in other operating income of € 2,964 thousand (previous year: € 2,111 thousand) had a positive effect on operating profit.

Operating profit declined to € 6,772 thousand (previous year: € 9.248 thousand).

EBIT margin

The stronger increase in operating expenses compared to operating income led to a narrower EBIT margin in 2013, contracting from 18.5 % in 2012 to 13.6 % in 2013.

Net profit for the period

Net profit for the period declined from € 6,638 thousand in the previous year to € 4,723 thousand. The effects already mentioned under operating profit also had a significant impact on net profit for the period.

The ratio of net profit before taxes was 14.1 % (previous year: 19.3 %).

Earnings per share

Viscom acquired 134,940 own shares for € 587 thousand on the stock exchange in the period from 29 July 2008 to 31 March 2009.

The share buy-back programme reduced the number of dividend-bearing shares from 9,020,000 shares to 8,885,060 shares. The company did not exercise the option of buying back shares in 2013.

On the basis of 8,885,060 shares as an average for the year, earnings per share for the 2013 financial year amounted to € 0.53 (diluted and undiluted) compared to € 0.75 in the previous year.

The Executive Board and Supervisory Board will propose to the Annual General Meeting on 27 May 2014 that a dividend of € 1.70 per dividend-bearing share be paid. In addition to the dividend from the retained earnings of Viscom AG for the 2013 financial year of € 0.42 per share, a special dividend of € 1.28 per share from retained earnings, which was increased through withdrawals from free capital reserves of approximately € 22.6 million, will also be paid.

After paying out the special dividend, approximately € 11.2 million or € 1.25 per dividend-bearing share will remain in free capital reserves. This amount remains available for potential future dividend payments and/or share buy-back programmes.

Financial result

The financial result is unchanged year on year despite the lower rate of interest paid on corporate bonds and bank deposits. No additional corporate bonds were acquired over the course of the year. The remaining financial assets were either invested in term deposits or held in direct access savings accounts. Owing to higher interest expenses from the valuation of long-term corporate bonds, the financial result fell from € 418 thousand in 2012 to € 274 thousand in 2013.

Exchange rate result

As it operates internationally, Viscom is exposed to exchange rate risks. Due to the company's business volume 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. Approximately 9 % of total revenue was subject to a direct exchange rate influence (previous year: 11 %).

Employees

The following table shows the number of Viscom employees as of 31 December 2013. The number of employees rose to 300 over the course of the year (previous year: 286).

Ten employees were in training as of the turn of the year.

An average of 296 employees (excluding trainees) worked for the Group in the 2013 financial year. Out of this number, 116 employees are classified as commercial employees (sales, development and administration) while 180 are classified as industrial employees (production, logistics, projects and service).

Employees

As of 31 December 2013	Europe	Americas	Asia	Total
Total	**252**	**15**	**33**	**300**
Of which full-time	225	14	33	**272**
Of which part-time	27	1	0	**28**
Plus: Trainees	10	0	0	**10**

REGIONAL DEVELOPMENTS

Europe

Revenue in Germany in the amount of € 14,390 thousand decreased by approximately 22 % compared to the previous year (previous year: € 18,367 thousand).

This was due to increased competitive pressure combined with lower revenues as well as customers transferring production capacities abroad. Despite this, Viscom's home market once again remained the main revenue market in 2013.

In Germany, the Group is the market leader for the production of inspection systems for electronic assemblies (AOI and AXI).

With the success of the proven system platform S3088, the modified system platform S6056, and the future-oriented technology of the X7056, Viscom succeeded in gaining new customers amongst SMEs in Germany.

In Europe, revenue was up approximately 7 % year on year at € 15,142 thousand (previous year: € 14,103 thousand). Viscom is offering both low-cost and high-end products for various customer groups and requirements in these markets.

The relocation and development of production capacity in Eastern Europe and Asia continued to generate momentum in 2013.

Developments in Germany and the rest of Europe resulted in a decline in revenue from € 32,470 thousand in 2012 to € 29,532 thousand in 2013. Segment results subsequently contracted by approximately 38 % to € 4,907 thousand in 2013 (previous year: € 7,974 thousand).

Americas

North America continued to perform well in 2013. Demand from automotive electronics producers was strong across the board and was disproportionately strong at the end of the year, which meant that the company was unfortunately not able to fully meet demand in 2013. At € 8,257 thousand, revenue was down by approximately 4 % year on year (previous year: € 8,613 thousand).

Segment results were marginally lower than the previous year at € 894 thousand (previous year: € 958 thousand).

Asia (including Australia)

Viscom registered significant revenue growth in Asia thanks to the greater willingness to invest among Asian customers and the expansion of market share. Revenue increased by approximately 34 %, from € 8,954 thousand in 2012 to € 12,031 thousand in 2013. This was reflected in the segment results which increased by approximately 80 %, from € 494 thousand in 2012 to € 889 thousand in 2013.

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.

The recorded data may be one-, two- or three-dimensional data structures 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.

The inspection systems manufactured by the company in 2013 were primarily optical inspection systems of the S3088, S6056 and X7056 series. 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.

The high degree of diversity is achieved by using standardised modules. The model variants come about through design revisions and adaptations to the respective area of application.

In the X-ray field, Viscom is focusing on technically sophisticated customer projects in addition to optical inspection.

In the product group “Optical and X-ray series inspection systems”, revenue was down approximately 5 %, from € 35,922 thousand in 2012 to € 33,972 thousand in 2013. Revenue in the “Special optical and X-ray inspection systems” product group increased by approximately 9 %, from € 6,867 thousand in 2012 to € 7,491 thousand in 2013.

At € 8,357 thousand in 2013, revenue in the “Service” product group recorded a significant increase, rising by approximately 15 % from € 7,248 thousand in the previous year.

Continued development of the quality management system achieved steady quality improvements. Since January 2005, Viscom has been certified under DIN EN ISO 9001:2008 by the German Society for the Certification of Management Systems.

FINANCIAL POSITION

Capital structure

There were no liabilities to banks as of 31 December 2013.

Investments

Investments in property, plant, and equipment and intangible assets totalled € 2,974 thousand in 2013 (previous year: € 1,914 thousand).

At € 2,275 thousand (previous year: € 1,374 thousand), the bulk of the investments applies to the capitalisation of company-produced assets while the remainder mainly pertains to, among other things, operating and office equipment € 265 thousand (previous year: € 273 thousand), leasehold improvements € 226 thousand (previous year: € 20 thousand), software € 86 thousand (previous year: € 50 thousand) and technical equipment and machinery € 70 thousand (previous year: € 123 thousand).

At € 518 thousand, corporate bonds with a remaining term of more than one year are reported under financial investments (previous year: € 4,674 thousand). Short-term corporate bonds with a remaining term of less than one year are reported under current assets in other financial receivables (€ 4,022 thousand; previous year: € 2,618 thousand).

The segment Europe accounted for € 2,932 thousand (previous year: € 1,813 thousand) of investments, Asia for € 0 thousand (previous year: € 16 thousand) and the Americas for € 42 thousand (previous year: € 85 thousand).

In 2013, investments were primarily conducted in the "Optical and X-ray series inspection systems" segment, totalling € 2,028 thousand (previous year: € 1,374 thousand).

Investment grants

Viscom received investment grants of € 51 thousand in 2013 (previous year: € 165 thousand).

Liquidity

Viscom was able to continue providing the required liquidity entirely from its own funds in the 2013 financial year. The subsidiaries did not require any additional loans either. At 86.3 %, the Group's equity ratio was higher than the previous year's level (previous year: 85.9 %).

Cash and cash equivalents / cash flow

As of 31 December 2013, cash and cash equivalents amounted to € 29,285 thousand, which is 2 % less than the previous year (previous year: € 30,014 thousand).

The cash flow from:

- Operating activities came to € 7,174 thousand (previous year: € 9,520 thousand). This is largely due to positive net profit for the year, income tax expense, depreciation / amortisation and the change in inventories, receivables and other assets.

- Investment activities totalled € -2,478 thousand (previous year: € -1,594 thousand) and were mainly impacted by the recognition of company-produced assets.

- Financing activities totalled € -5,331 thousand (previous year € -6,665 thousand) due to the dividend payment for the 2012 financial year.

Overdue trade receivables fell slightly compared to the previous year. There were no major defaults.

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

NET ASSETS

In the 2013 financial year, net profit was clearly positive. Despite the dividend payment in 2013 and the increase in deferred tax liabilities and other financial liabilities as well as the decline in trade payables and income tax liabilities, total assets fell slightly to € 71,358 thousand (previous year € 72,505 thousand). Liabilities were generally settled with an early settlement discount within the agreed payment period.

Net assets, and in particular, cash and cash equivalents, were reduced in the 2013 financial year. Inventories remained on par with the previous year. There were significant changes in intangible assets, financial investments and other financial receivables.

Fixed assets

In the category of fixed assets, intangible assets include mainly company-produced assets. Intangible assets increased from € 4,665 thousand in the previous year to € 6,368 thousand.

Receivables

At € 11,484 thousand, trade receivables were down year on year (previous year: € 12,117 thousand). Value adjustments on trade receivables totalled € 1,072 thousand (previous year: € 1,189 thousand).

Overdue receivables decreased by approximately 34 % to € 4,222 thousand overall, compared to € 6,374 thousand in the previous year. Most of the overdue receivables are short-term in nature. Less than 1 % of the total receivables are more than six months overdue.

The risk of bad debts was addressed by value adjustments on specific items. In reference to the receivables portfolio, percentage value adjustments decreased compared to the previous year, from 9.8 % to 9.3 %.

Inventories

The book value of inventories stood at € 15,693 thousand at the end of the financial year (previous year: € 15,113 thousand). This net inventory figure includes impairment losses for extended inventory coverage in the amount of € 5,475 thousand (previous year: € 5,917 thousand) and individual value adjustments on rental and demo machines of € 4,757 thousand (previous year: € 4,546 thousand). This means net inventories increased by € 580 thousand compared to the previous year while gross inventories rose by € 349 thousand.

Liabilities

Trade payables totalled € 1,859 thousand (previous year: € 2,335 thousand) at the end of the year.

Shareholders' equity

Total shareholders' equity plus reserves declined slightly from € 62,276 thousand in the previous year to € 61,566 thousand. This was due to the positive profit for the past financial year as well as retained earnings in the previous period and the dividend distribution. At 86.3 %, the equity ratio was on par with the previous year (previous year: 85.9 %).

KEY FIGURES ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

	2013 K€	2012 K€
Tier 1 liquidity (cash and cash equivalents less current liabilities and provisions)	**20,966**	**20,734**
Tier 2 liquidity (tier 1 liquidity plus cash and cash equivalents less current liabilities and provisions)	**38,200**	**36,490**
Tier 3 liquidity (tier 2 liquidity plus inventories)	**53,893**	**51,603**
Current assets:		
Cash and cash equivalents	29,285	30,014
Receivables and other assets	17,807	16,296
Inventories	15,693	15,113
	62,785	**61,423**
Liabilities and provisions:		
Current liabilities and provisions	8,319	9,280
Non-current provisions	573	540
	8,892	**9,820**
Cash flow:		
Net profit for the period after taxes	4,723	6,638
+ Depreciation and amortisation expense	1,068	859
	5,791	**7,497**
Return on equity		
Net profit for the period / shareholders' equity	7.7 %	10.7 %
Return on Investment (ROI)		
Net profit for the period / total assets	6.6 %	9.2 %
Return on revenue		
EBT / revenue	14.1 %	19.3 %
Return on Capital Employed (ROCE)		
EBIT / (total assets – cash and cash equivalents – current liabilities and provisions)	20.1 %	27.8 %
Net debt		
Liabilities and provisions (-)	-8,892	-9,820
+ Cash and cash equivalents	29,285	30,014
+ Receivables and other assets	17,807	16,296
= Net debt	38,200	36,490
Working capital		
Current assets – liabilities and provisions	53,893	51,603
Equity ratio		
Shareholders' equity / total assets	86.3 %	85.9 %

REPORT ON POST-BALANCE SHEET DATE EVENTS

Viscom AG has received a large order for the delivery of X-ray inspection systems from a customer in the Computers, Communication and Consumer (3C) sector for the electronics production at an EMS in China. Viscom's strategy of developing new markets outside the automotive business is therefore being successfully implemented. The order volume totals approximately € 4 million and will be reported as revenue in the 2014 financial year and is accordingly reflected in the forecast report.

There were no other significant events after the end of the 2013 financial year.

OPPORTUNITIES AND RISKS REPORT

POTENTIAL RISKS

Electronics are increasingly penetrating every area of life. Electronic assemblies are growing smaller and smaller, yet at the same time are expected to take on an increasing number of functions. This technological diversification requires top-class inspection solutions: solutions that ensure product quality on the one hand, while on the other hand, ensuring the sustainable stability of increasingly complex processes. Customer requirements of Viscom inspection systems are therefore growing increasingly specific. In view of this dynamic market environment, new opportunities are constantly arising for the Viscom Group. Recognising and exploiting these opportunities are a key factor for Viscom's sustainable growth.

Viscom regularly evaluates market and competition analyses and accordingly aligns its product portfolio focus and cost drivers. From this, concrete market opportunities are derived which the Executive Board incorporates into its annual business plan.

The following opportunities are described in more detail owing to their probability of occurrence and are reflected in the business plan and outlook for 2014.

Opportunities from economic development

The general economic conditions influence the company's business operations, its financial position and results of operations and its cash flow. Should the global economy see a more sustainable recovery than expected, Viscom's revenue and results could exceed the current outlook and mid-term targets.

Viscom expects continued growth in emerging markets such as China.

Opportunities through research and development

Viscom's growth depends primarily on its ability to develop innovative solutions and constantly create added value for its customers. Viscom is also working on enhancing the effectiveness of its research and development, shortening the innovation cycles through streamlined development processes and cooperating more closely with its customers. If greater progress is achieved through these research and development activities than can currently be expected, this could entail the launch of more and improved products or that products become available sooner than planned. This could have a positive impact on revenue and earnings and help Viscom to exceed its mid-term targets.

Risk management strategy, process 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. Viscom views the internal control and risk management system as a comprehensive system and as a basis uses 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 means the principles, processes and measures introduced by company management to support the organisational realisation of management decisions.

Other risks such as damage from fire are covered by relevant insurance policies and are not further dealt with by risk management.

As a globally operating group, Viscom is exposed to various risks. For this reason, a comprehensive risk management system has been devised, which allows potential risks to the Group to be detected at an early stage and analysed and appropriate measures to be taken. The risk management system comprises a number of control mechanisms and is an integral part of the company's decision-making process.

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 with the Executive Board and the heads of the business areas, the heads of individual branches and department heads 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. Risk identification in the individual departments is based on a defined risk catalogue. Reports submitted to senior employees during regular meetings should also include risks which are not mentioned in the risk catalogue.

Where possible, potential risks are to be evaluated according to their probability of occurrence and the extent of potential damage. The evaluation of the identified risks is conducted on a net basis, i. e. the assessment of a risk reflects the measures already taken to minimise the likelihood or the potential damage of a risk. In the event of a persisting risk, measures to counteract it will be decided on during regular meetings.

In terms of the accounting process, Viscom regards those features of the internal control and risk management system as important which it believes could significantly influence the financial reporting process and the overall view presented by the annual financial statements and management report.

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

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

- Monthly internal consolidated reporting with the analysis of significant developments. At a Group level, specific control measures to ensure the proper and reliable preparation of the consolidated financial statements include the analysis and, if necessary, correction of the single entity financial statements presented by the Group companies, including the discussions on the financial statements with the auditors and the documents presented by the auditors. Incorrectly filled out financial statements are corrected prior to being consolidated with the help of previously determined control mechanisms and plausibility checks.

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

- The completeness and correctness of the consolidated data is checked using manual process controls and a system of checks and balances.

- The individual elements of the risk management system will be checked for appropriateness by an independent, external auditor on a risk-oriented basis as part of the audit of the annual financial statements.

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.

The Executive Board and the Supervisory Board meet on a regular basis in this regard.

Unless stated otherwise, the following risks are relevant for the Group and for the individual segments.

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 recent past. Regardless of economic conditions in the automotive industry, the proportion of electronics in vehicles is increasing.

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

Customer risk

Viscom generated approximately 54 % of its revenue with its five largest customers. This means the proportion of revenue rose by more than five percentage points compared to the previous year.

Foreign currency risk

Exchange rates with the euro were exposed to substantial fluctuations in some cases. The development of the US dollar as a key currency 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 2013 but have been set up as needed in the past.

Due to the company's business volume 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. Approximately 9 % of total revenue was subject to a direct influence on exchange rates (previous year: 11 %).

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 bottlenecks relating to the procurement times for specific assemblies and components during the period under review due to the generally positive order situation, resulting in longer delivery times. The company prevents bottlenecks by changing its procurement strategy and expanding its supplier base.

Liquidity risk

The initial public offering in 2006 resulted in a substantial improvement in the liquidity situation of Viscom AG. No borrowing will be required to finance the expenditures that have been made and are planned for 2014.

Default risk

Default risk related to specific customers generally cannot be ruled out. 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.

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.

Technological competitive risk / technological competitive advantage

Some 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.

Assessment of the overall risk situation

The risks described for the individual Group companies are collated and discussed in the regular management meetings. This is where decisions are taken regarding the appropriate measures to be taken where necessary to counteract the risks.

The probability of occurrence of a risk is evaluated based on the following criteria:

Valuation	Probability of occurrence
likely	> 50 %
possible	25 - 50 %
unlikely	< 25 %

The risk level is defined based on the potential financial implications:

Risk level	Potential financial implications
low	< € 0.5 million
medium	€ 0.5 – € 2.5 million
high	> € 2.5 million

Evaluation of individual risks:

Viscom is not subject to any major risks. In view of the probability of occurrence and potential implications of the described risks, Viscom's management does not see any material threat to the Group either by way of the occurrence of any individual risk or the risks as whole.

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.

In view of the company's good market position, technological innovative capacity and clearly structured early risk identification, Viscom's management also expects the company to be able to successfully master the aforementioned challenges and potential risks in the 2014 financial year.

The company was not involved in any significant legal proceedings as of 31 December 2013.

Risk type	Potential financial implications	Probability of occurrence
Country risk	low	unlikely
Sector risk	high	possible
Customer risk	medium	unlikely
Foreign currency risk	low	unlikely
Procurement risk	low	possible
Liquidity risk	low	unlikely
Default risk	low	unlikely
Trademark and patent risk	low	unlikely
Technological competitive risk / technological competitive advantage	low	unlikely

FORECAST REPORT 2014

ECONOMIC CONDITIONS

Based on current estimates, no fundamental changes to the economic environment are to be expected in the 2014 financial year. The debt crises, the future of Europe, low interest rates and fast pace of technological change will continue to shape the economy and politics. Positive growth is expected in the industrialised nations, developing countries and emerging markets in 2014. The euro zone is also expected to recover from the recession that resulted from the debt crisis. Foreign trade activity is likely to pick up in 2014, as is the general willingness to invest. According to the Ifo Institute, the automotive and electronics industry is expected to see especially high growth rates.

The electronics industry should see a sharp increase in production. In view of the favourable financing conditions and greater domestic and foreign demand, companies are likely to invest more in machines, equipment and vehicles.

The economic environment in Germany is also likely to improve compared to 2013. An increase in investments and exports are likely to be the driving forces. The country should also benefit from the growing global economy and subsequent upturn in Europe and the USA.

The USA is likely to see greater investment activity thanks to a significant improvement in business conditions. The significant rise in the purchasing managers' index also points to better market conditions.

However, decisions on concrete fiscal policy measures were postponed to later in 2014. As the discussions held in October 2013 on the lifting of the debt ceiling show, this gives rise to uncertainty which could have a dampening effect on the economy.

Asia's emerging markets are likely to see a return to their high growth rates again in 2014. Growth in China is expected to slow following the fast pace of expansion in previous years.

Viscom is cautiously optimistic with regard to its business development in the 2014 financial year, and forecasts a slight improvement over 2013.

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

As an important market for Viscom and a strong technology trend setter, automotive and industrial electronics will continue to be very important to Viscom. The company expects revenue within the European market – including Southern and Eastern Europe – to once again increase in 2014.

Viscom would like to participate in investment opportunities in the international market. Viscom Group's strong position in America and Asia is to be strategically expanded with the aid of a tailor-made product portfolio. Viscom's presence in growth market China as well as certain individual Asian regions is to be increased further.

The company's goal in Asia remains to raise the profile of the Viscom brand even more in this region and to make optimal use of opportunities in the Asian market.

Company segments

In addition to the primary structuring into geographic segments (markets), Viscom also performs segment reporting based on its business areas.

The SP (serial products) business area is responsible for enhancing, producing and distributing series systems which are the company's major revenue drivers.

The NP (new products) business area develops promising new special optical and X-ray inspection systems 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. By internally transferring its series business to the SP business area, the capacities of the NP business area for instance are being used for developing new submarkets where there is a demand for the inspection of hidden components without disassembly, among other things. On this basis, the relative and absolute profit contributions of the SP business area should increase even further over the coming years.

The Service business area offers Viscom customers an improved and wider service portfolio. Since starting the activities, the share of total revenue has steadily increased. Further growth of this business area is expected.

Products / Services

Viscom develops, manufactures and sells automated optical and X-ray inspection systems for use in industrial electronics production.

Viscom will continue to focus on the development of new standard inspection systems. Here, Viscom is inspired by the market's needs. Due to the steadily increasing installation base, follow-up business which includes training, maintenance, replacement part sales and upgrade projects will continue to increase in terms of both volume and differentiation and will help expand the Service business area.

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 structure has proven to be successful. Viscom will continue counting on reliable partners and optimising the procurement structures.

Results of operations

The development of incoming orders and revenue will once again largely depend on the overall economic situation in 2014, especially in the automotive industry. At a target revenue and order intake of € 55 million to € 60 million, Viscom expects to generate significantly positive earnings once again.

The EBIT margin is likely to be between 13 % and 15 % in the 2014 financial year, corresponding to EBIT of € 7.1 million to € 9.0 million.

Financial position

However, there are no plans for borrowing in 2014 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 at short notice.

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 in particular to the operating premises and buildings. Viscom made no major investments in 2013.

Other cash flows and refinancing

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

CORPORATE GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE REPORT

PART OF GROUP MANAGEMENT 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 the trust of investors and the public 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 this declaration published in accordance with section 3.10 of the German Corporate Governance Code as well as section 289a (1) of the German Commercial Code (HGB) on Corporate Governance. The Corporate Governance report also includes the Remuneration Report.

Corporate Governance Compliance Statement and 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 in Germany 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 German Federal Gazette were and will be complied with, or state which recommendations were not or will not be applied and for what reasons. The declaration must be made permanently accessible to the public 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 Code thereby contributes towards enhancing flexibility and self-regulation with regard to the corporate legal structure of German companies.

The Executive Board and Supervisory Board of Viscom AG submitted the annual Compliance Statement pursuant to section 161 of the German Stock Corporation Act (AktG) on February 21, 2014. It has been published and is permanently accessible on the Viscom AG website under www.viscom.com/europe in the section "Investor Relations/Corporate Governance".

For the period from the last Compliance Statement dated 22 February 2013 to 9 June 2013, the following statement refers to the Code version of 15 May 2012 as published on 15 June 2012 in the Federal Gazette. For all Corporate Governance activities by Viscom AG since 10 June 2013, the statement refers to the Code version of 13 May 2013 as published on 10 June 2013 in the German Federal Gazette.

Wording of the 2014 Compliance Statement

In conformity with section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of Viscom AG declare that the recommendations by the Government Commission on the German Corporate Governance Code have been and are being complied with. The Executive Board and Supervisory Board of Viscom AG are also committed to ensuring future compliance. Only the following recommendations have not been and will not be followed:

1. The company has decided to exclude deductibles from its liability insurance (D&O insurance) for the Supervisory Board (Code section 3.8).

The company has complied with the legal requirement to implement a deductible for Executive Board members pursuant to section 93 paragraph 2 sentence 3 of the German Stock Corporation Act (AktG) in conjunction with section 23 paragraph 1 sentence 1 of the Introductory Act to the German Stock

Corporation Act (EGAktG) effective 1 July 2010, but continues to refrain from implementing a corresponding deductible for the Supervisory Board as well. In the company's view, the nature of the Supervisory Board mandate, which is also emphasised by differences in remuneration, makes it seem reasonable to differentiate between the Executive Board and Supervisory Board. Extending the D&O insurance deductible to members of the Viscom AG Supervisory Board therefore did not appear appropriate. Furthermore, a deductible for intentional infringement of obligations does not come into question and a deductible in cases of negligence in other countries is rather uncommon to date. There was and is, therefore, the concern that the agreement of a deductible may present an obstacle in the future with regard to the search for appropriate Supervisory Board candidates that also have international experience.

2. The company has no Chairman or Speaker of the Executive Board (Code section 4.2.1).
Taking into account the number of Executive Board members, the Executive Board and the Supervisory Board are consequently of the opinion that, on a board with only three members, a Chairman or a Speaker is not required. In addition, the law for stock corporations is based on a principle of consensus, i. e. on a collegial rather than a hierarchal Executive Board. A strong principle of consensus has prevailed within the Executive Board (and previously within the executive) since the company was founded. All significant decisions are made together by the entire Executive Board.

3. The service contracts with the members of the Executive Board of 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 Executive Board contracts do not contain any provisions for a payment cap on severance compensation in the case of early termination of the Executive Board mandate of a maximum of two years' remuneration, including in the form of (modified) tying clauses. Legal enforcement of a cap on severance pay for the member of the Executive Board would often not be possible in the relevant cases. If there is neither a significant ground for dismissal in accordance with section 84 paragraph 3 sentence 1 of the German Stock Corporation Act (AktG) nor a significant ground for the extraordinary termination of the employment contract in accordance with section 626 of the German Civil Code (BGB), the contract with the Executive Board member can only be terminated subject to mutual agreement. In such cases, Executive Board members have no legal obligation to agree to caps on severance pay within the meaning of the recommendations of the Code. These (modified) tying clauses that link the termination of the Executive Board contract to dismissal on significant grounds and anticipate a cap on severance pay in such cases cannot be implemented unilaterally by the Supervisory Board against the will of the Executive Board member in question (deviation from Code section 4.2.3 paragraph 4).

4. The Executive Board and Supervisory Board have not prepared any detailed long-term succession planning up to now (Code section 5.1.2).
The Executive Board and Supervisory Board have not prepared any detailed long-term succession planning for the Executive Board up to now. The Executive Board members Dr. Martin Heuser and Volker Pape are the founders of the company and there are currently no indications of them leaving the company in the foreseeable future. The Executive Board and Supervisory Board also believe that this recommendation in the Code pertains solely to internal succession planning, as external appointments cannot be planned for the long term.

5. With the exception of a nomination committee, the Supervisory Board has not formed any committees, especially an audit committee (Code sections 5.3.1, 5.3.2).
The Supervisory Board consists of only three members. In the view of the Supervisory Board, the formation of an audit committee is not expedient under the specific circumstances of the company

and – unlike in larger governing bodies – does not increase efficiency. All matters are addressed by all members of the Supervisory Board, so that the formation of additional committees is not considered necessary. The Supervisory Board, however, formed a nomination committee in connection with the succession planning for the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke.

6. The Articles of Association and the standing rules for the Executive Board do not call for a maximum age limit for Executive Board members (Code section 5.1.2).

Given the age structure of the current occupants of the Executive Board, this status quo needs not be questioned. The company is also committed to ensuring access to the expertise of experienced members of the Executive Board. Any exclusion based solely on age does not appear expedient to the Executive Board and Supervisory Board, since the optimum composition of the Executive Board could thereby be prevented for merely formal reasons. An age limitation in the Articles of Association or the standing rules has been and is therefore deemed unnecessary.

7. The fixed and variable remuneration for the Supervisory Board stipulated in the Articles of Association does not take account of the Chairman or committee members (Code section 5.4.6).

The lack of committees due to the small size of the Supervisory Board renders any further plan for the distribution of remuneration for chairpersons and committee members unnecessary. The company does not see the need for any special remuneration for the established nomination committee with regard to the succession planning of the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke as the duties are limited to a specific period of time.

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

Viscom AG 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 Dirk Schwingel (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 and compliance. All members of the Executive Board are involved in the day-to-day management 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 them 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. These assignments notwithstanding, each member of the Executive Board remains responsible for all management issues (principle of overall responsibility). Only the entire Executive Board together can decide on matters or transactions which are of exceptional 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 by 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 jointly to the Chairman of 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 management of the Group is based on a reporting system that takes the form of monthly reports submitted to members of the Supervisory Board. These monthly reports include the consolidated income statement and individual breakdowns for the various Group companies. The reports also include a detailed presentation of the cost structure at Viscom AG and its Group companies, 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.

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 decisions or make use of business opportunities to which the company is entitled for his own benefit. Any possible conflicts of interest are to be disclosed promptly to the Supervisory Board, and the 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 the standards that are customary within the branch of industry.

In addition, Executive Board members require the consent of the Supervisory Board to assume 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 Viscom AG. 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 any Supervisory Boards at listed stock corporations outside the Group.

Viscom AG has obtained liability insurance (D&O insurance) with a commensurate deductible for all members of the Executive Board.

Mandates of the Board Members

The members of the Executive Board hold no other mandates in other Supervisory Boards required by law or comparable domestic and foreign governing bodies.

Supervisory Board

The Supervisory Board of Viscom AG consists of three members who are elected at the Annual General Meeting, without it being bound by any proposals for suitable candidates and with identical terms of office, in compliance with section 11, paragraph 1 of the Articles of Association in conjunction with sections 95, 96 (1) and 101 (1) of the German Stock Corporation Act (AktG). The company has no co-determination.

The current members of the Viscom AG Supervisory Board are Bernd Hackmann (Chairman), Klaus Friedland (Deputy Chairman) and Prof. Dr. Claus-Eberhard Liedtke. They were individually elected at the Annual General Meeting on 18 June 2009 pursuant to the recommendations of the German Corporate Governance Code. The term of office for the Supervisory Board is five years. The current term ends with the regular Annual General Meeting, which will approve the actions of the members of the Supervisory Board for the 2013 financial year of the company.

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 members of the Viscom AG Executive Board 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 monitors and advises the Executive Board on company management. It is involved in strategy and planning as well as 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 specifies the types of major transactions of the Executive Board that require 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 Chairman of the Supervisory Board or, in case of his absence, by the Deputy Chairman. The Chairman of the Supervisory Board chairs the Supervisory Board meetings and upholds the Board's interests when representing it. Furthermore, he is authorised 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 provisional approval of company transactions that, in accordance with the standing rules for the Executive Board, require the Supervisory Board's approval. Tasks and rules of procedure are stipulated in the standing rules governing the Supervisory Board that have been resolved by the Supervisory Board in accordance with the Articles of Association. This includes rules regarding the authority of the Chairman of the Supervisory Board and his deputy, as well as rules pertaining to conflicts of interest and efficiency reviews. According to these, the Chairman of the Supervisory Board 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 become aware of significant events of material importance for the assessment of the company's situation and development and of its management, he is obligated to inform the Supervisory Board and to convene an extraordinary Supervisory Board meeting if necessary.

In the 2013 financial year, the Supervisory Board held nine regular meetings including a meeting for the purposes of an efficiency assessment that excluded the Executive Board. The Chairman of the Supervisory Board or, in case of his absence, the Deputy Chairman, convenes meetings in written form with a 14 day notification period. In urgent cases, the Chairman of the Supervisory Board can shorten the notification period appropriately and convene the meeting via verbal notification or via telephone, fax or e-mail. 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 Chairman's directive and there are no objections raised by other members of the Supervisory Board during a reasonable period of time set by the Chairman of the Supervisory Board. The Chairman 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 Chairman of the Supervisory Board or, in case of his absence, the Deputy Chairman, casts the deciding vote in the case of a tie.

Barring different arrangements made by the Supervisory Board for individual cases, all members of the Executive Board 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 a given 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 acti-vity 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.

The company has obtained D&O insurance with no deductible for its Supervisory Board members.

Detailed information on Supervisory Board activities during the 2013 financial year is included in the "Report of the Supervisory Board".

Mandates of the Supervisory Board Members

Bernd Hackmann, Chairman of the Supervisory Board of Viscom AG, has been Deputy Chairman of the Supervisory Board of LPKF Laser & Electronics AG since 31 May 2012. Klaus Friedland and Prof. Dr. Claus-Eberhard Liedtke, members of the Supervisory Board of Viscom AG, hold no other mandates in other Supervisory Boards required by law or comparable domestic and foreign governing bodies.

In addition Bernd Hackmann has been Deputy Chairman of the Advisory Board of SLM Solutions GmbH, Lübeck since March 2013.

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. 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. All matters are addressed by all members of the Supervisory Board, so that the formation of additional committees is not considered necessary. The Supervisory Board, however, formed a nomination committee in connection with the succession planning for the outgoing Supervisory Board member Prof. Dr. Claus-Eberhard Liedtke.

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

Shareholdings of 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 6,169,085 Viscom AG shares.

• Volker Pape:
255,000 shares held directly; Mr. Pape also holds 50 % of HPC Vermögensverwaltung GmbH, which in turn holds 6,169,085 Viscom AG shares.

• Dirk Schwingel:
2,000 shares held directly.

The following members of the Supervisory Board presently hold shares in the company:

- Bernd Hackmann: 5,000 shares.

- Klaus Friedland: 3,000 shares.

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

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 advance 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 authorised 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. The remuneration report forms part of the management report.

Remuneration of Executive Board Members

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

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

The Executive Board members receive a performance-related bonus, which comprises a bonus I relating to the recently expired financial year and a long-term bonus II. The total bonus is limited to 100 % of the annual fixed remuneration for Dr. Martin Heuser and Volker Pape and to 50 % of the annual remuneration for Dirk Schwingel.

Bonus I amounts to one monthly fixed remuneration payment plus 1.3 % of earnings before interest and taxes (EBIT) recorded in the consolidated financial statements for Dr. Martin Heuser and Volker Pape. Bonus I for Dirk Schwingel amounts to 0.65 % of earnings before interest and taxes (EBIT) recorded in the consolidated financial statements. EBIT must total at least € 1 million, otherwise the entitlement to bonus I ceases.

Bonus II also amounts to one monthly fixed remuneration payment plus 1.3 % of earnings before interest and taxes (EBIT) recorded in the consolidated financial statements for Dr. Martin Heuser and Volker Pape. Bonus II for Dirk Schwingel also amounts to 0.65 % of earnings before interest and taxes (EBIT) recorded in the consolidated financial statements. The bonuses are calculated on the basis of EBIT generated in the three most recent financial years – e. g. the recently expired year plus the two before that (= average EBIT). Average EBIT must total at least € 1 million, otherwise the entitlement to bonus II ceases.

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

Remuneration of the members of the Executive Board in the 2013 financial year is as follows:

Executive Board	Fixed Remuneration 2013[1)] K€	Variable Remuneration 2013 [2) 3)] K€	Total Remuneration 2013 K€	Total Remuneration 2012 K€
Dr. Martin Heuser	202	182	384	382
Volker Pape	206	182	388	387
Dirk Schwingel	180	85	265	208
Total	**588**	**449**	**1,037**	**977**

1) includes cash value benefits (motor vehicle), accident insurance and private pension insurance
2) maximum 100 % of the annual fixed remuneration (Dr. Martin Heuser / Volker Pape)
3) maximum 50 % of the annual fixed remuneration (Dirk Schwingel)

Remuneration of Supervisory Board Members
All Supervisory Board Members receive fixed and variable remuneration for every full business year of Supervisory Board membership. Supervisory Board members joining during the course of the financial year receive pro rata fixed and variable remuneration for their actual time served on the board. Fixed remuneration is € 10 thousand per Supervisory Board member per year. The Chairman of the Supervisory Board receives double and his Deputy one and a half times the fixed remuneration. Variable remuneration is comprised of two components. Per Supervisory Board member and per year it amounts to:

- € 250.00 per full cent of the dividend distributed to shareholders for each of the company's no-par value shares in the corresponding financial year, and

- € 1,000.00 per € 1 million of average positive EBIT recorded. Average EBIT are calculated over a rolling three-year period on the basis of the company's audited and approved IFRS consolidated financial statements for the three most recent financial years.

The Chairman of the Supervisory Board receives double and his Deputy one and a half times the variable remuneration. Total variable remuneration is limited to seven tenth of annual fixed remuneration.

Remuneration of the members of the Supervisory Board in the 2012 financial year was as follows:

Supervisory Board	Fixed Remuneration 2012 K€	Variable Remuneration 2012[1)] K€	Total Remuneration 2012 K€
Bernd Hackmann	20	14	34
Klaus Friedland	15	10.5	25.5
Prof. Dr. Claus-Eberhard Liedtke	10	7	17
Total	**45**	**31.5**	**76.5**

1) maximum

Remuneration of the members of the Supervisory Board in the 2013 financial year is as follows:

Supervisory Board	Fixed Remuneration 2013 K€	Variable Remuneration 2013[1)] K€	Total Remuneration 2013 K€
Bernd Hackmann	20	14	34
Klaus Friedland	15	10.5	25.5
Prof. Dr. Claus-Eberhard Liedtke	10	7	17
Total	**45**	**31.5**	**76.5**

1) maximum

The amount of variable remuneration for financial year 2013 is in part dependent on the dividends paid to shareholders and is therefore subject to a corresponding resolution by the Annual Shareholders' Meeting on the appropriation of the net retained profits from the past financial year.

The Supervisory Board members received no remuneration or benefits from the company 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 management of the Viscom Group can make use of comprehensive Group and company reporting and control systems which facilitate the detection, evaluation and controlling 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 risk management in the Viscom Group 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 Accounting Law Modernisation Act (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 by Viscom AG 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 the Viscom AG website at www.viscom.com/europe:

• 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 website in the section "Investor Relations/News/Publications/Ad hoc Notices".

• Notices concerning voting rights. In accordance with section 21 of the Securities Trading Act (WpHG), when Viscom AG 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 notification system.

The company received notifications by Grünwald Equity Beteiligungs V2 GmbH and Grünwald Equity Beteiligungs GmbH about them falling below reporting thresholds during the financial year 2013:

1. Pursuant to section 21 (1) of the Securities Trading Act (WpHG), Grünwald Equity Beteiligungs V2 GmbH, Grünwald / Germany, informed Viscom AG that its voting rights in the company fell below the thresholds of 10 %, 5 % and 3 % on 31 May 2013 and amounted to 0 % on this date (0 voting rights).

2. Pursuant to section 21 (1) of the Securities Trading Act (WpHG), Grünwald Equity Beteiligungs GmbH, Grünwald/Germany, informed Viscom AG that its voting rights in the company fell below the thresholds of 10 %, 5 % and 3 % on 31 May 2013 and amounted to 0 % on this date (0 voting rights); of this amount, 0 % (0 voting rights) are attributable to it pursuant to section 22 (1) 1. of the Securities Trading Act (WpHG).

• 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 (WpHG). Such transactions will be published as soon as the company is informed via a europe-wide notification system and on the company website in the section "Investor Relations/News/Publications/Directors' Dealings".

Acquisition or sales transactions of Viscom AG shares subject to mandatory reporting or of financial instruments based on these that were carried out by Board Members (Directors' Dealings) were reported to the company for the 2013 financial year by HPC Vermögensverwaltung GmbH:

HPC Vermögensverwaltungs GmbH purchased 1,285,690 shares off-market at a price of € 9.12 per share on 31 May 2013 from Grünwald Equity Beteiligungs V2 GmbH.

• Financial calendar. The company informs the shareholders and the capital market in advance about the dates of key publications (e. g. Annual Report, Interim Report, Interim Management Report or Annual General Meeting) via the financial calendar, which is printed in the Annual and Interim reports and constantly available on the Viscom AG website.

Accounting and Annual Audit

Viscom AG prepares its consolidated financial statements in line with International Financial Reporting Standards (IFRS). The annual financial statements of Viscom AG are prepared according to the German Commercial Code (HGB). The Executive Board prepares the consolidated financial statements which are 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 the Viscom AG website for all interested parties.

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hanover, was elected by the 2013 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 the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer: IDW). Risk management and reporting obligations in compliance with Corporate Governance as stated in section 161 of the German Stock Corporation Act (AktG) were also taken into account.

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

The auditors shall 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 arise 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 (AktG).

Information on relevant company management practices

Compliance with the law is not just the duty of every business but is also in every company's own interest in order to reduce risks. Viscom sees it as its responsibility to adhere to all laws and internal regulations – voluntary obligations as well as ethical principles also form an integral part of its corporate culture.

In order to actively comply with local and international guidelines and regulations, the Executive Board prepared, approved and introduced compliance guidelines for its employees in 2011 that go beyond the statutory obligations applicable to all board members and employees of Viscom Group. This "Corporate Compliance Policy" stipulates how to deal with business partners and government institutions, how to maintain secrecy, independence and objectivity and how to act in cases of conflict of interest. These principles include the avoidance of corruption and cartel agreements, compliance with data security guidelines, equal opportunity and adherence to product safety and occupational health regulations.

They are available to Group employees on the Intranet, where they can be accessed at all times in German and English. A whistle-blower system allows employees to report certain serious infringements of the law. This allows Compliance Officers and where applicable the Executive Board to work towards containing damage and preventing further damage.

The Compliance Officer is responsible for maintaining and updating this policy.

Compliance is an integral part of Viscom's business processes and has formed the basis for a comprehensive and long-term management process, which is an ongoing and central task for the company. The topic of compliance must evolve constantly in order to react to the opportunities for improvement and the changing demands of global business. It is the basis for ongoing change and improvement, making it a living process within the company that will never be completed. More information on the compliance guidelines is publicly available on the company website at www.viscom.com/europe under the "Company/Corporate Compliance" section.

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 AG has been listed in the General Standard of the regulated market. 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, held an interest of 68.39 % in Viscom AG as of 31 December 2013. On 31 May 2013, HPC Vermögensverwaltung GmbH acquired the approximately 1.3 million Viscom shares offered by Grünwald Equity Beteiligungs V2 GmbH off-market.

As of 31 December 2012, Viscom AG possessed committed capital reserves in accordance with section 272 (2) (1) of the German Commercial Code (HGB) amounting to approximately € 37.1 million. The extraordinary General Meeting held on 20 August 2013 agreed to convert a part of the committed capital reserves (approximately € 22.6 million) into free capital reserves (section 272 (2) (4) of the German Commercial Code (HGB)) by way of increasing share capital from corporate funds without issuing new shares and a subsequent reduction in capital. This is in accordance with the proposals by the Executive Board and Supervisory Board published on 10 July 2013 in the German Federal Gazette.

The conversion offers Viscom AG increased opportunities for flexible and efficient equity management in line with capital market requirements. The necessary entries in the commercial register were made and the qualifying period pursuant to section 225 (2) of the German Stock Corporation Act (AktG) expired on 28 February 2014. The capital reduction amount is available for potential dividend payments and/or share buy-back programmes.

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 15 June 2016 by a total of up to € 4,500,000 through the issue of up to 4,500,000 new no-par value bearer common shares (no-par value shares) against cash and/or non-cash contributions (authorised capital 2011).

Viscom AG, represented by the Executive Board, is authorised in the period until 1 June 2015 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 sections 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, excluding the trade in own shares.

CONFIRMATION OF THE DEPENDENCY REPORT

Viscom AG was dependent on HPC Vermögensverwaltung GmbH in the 2013 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, 7 March 2014

Dr. Martin Heuser Volker Pape Dirk Schwingel

IFRS CONSOLIDATED FINANCIAL STATEMENTS 2013
CONSOLIDATED INCOME STATEMENT

Consolidated income statement

Item		01.01.–31.12.2013 K€	01.01.–31.12.2012 K€
G1	Revenue	49,820	50,037
G2	Other operating income	2,964	2,111
		52,784	52,148
G3	Changes in finished goods and work in progress	-25	1,084
G4	Other capitalised company-produced assets	2,275	1,374
G5	Cost of materials	-16,236	-15,817
G6	Staff costs	-19,483	-17,907
G7	Depreciation / amortization	-1,068	-859
G8	Other operating expenses	-11,475	-10,775
		-46,012	**-42,900**
	Operating profit	**6,772**	**9,248**
G9	Financial income	403	435
G9	Financial expenses	-129	-17
	Financial result	**274**	**418**
G10	Income taxes	-2,323	-3,028
	Net profit for the period	**4,723**	**6,638**
G11	**Earnings per share (diluted and undiluted) in €**	**0.53**	**0.75**
	Other earnings		
	Currency translation differences	-102	-39
	Items that cannot be reclassified to the income statement	**-102**	**-39**
	Items that can be reclassified to the income statement	**0**	**0**
	Other earnings after taxes	**-102**	**-39**
	Total earnings	**4,621**	**6,599**

CONSOLIDATED BALANCE SHEET: ASSETS

Assets

Item		31.12.2013 K€	31.12.2012 K€
	Current assets		
A1	Total cash and cash equivalents	29,285	30,014
A2	Trade receivables	11,484	12,117
A3	Current income tax assets	1,150	785
A4	Inventories	15,693	15,113
A5	Other financial receivables	4,269	2,843
A5	Other assets	904	551
	Total current assets	**62,785**	**61,423**
	Non-current assets		
A6	Property, plant and equipment	1,269	1,120
A7	Intangible assets	6,368	4,665
A8	Financial assets	524	4,680
A8	Loans originated by the company	13	126
A9	Deferred tax assets	399	491
	Total non-current assets	**8,573**	**11,082**
	Total assets	**71,358**	**72,505**

CONSOLIDATED BALANCE SHEET: SHAREHOLDERS' EQUITY AND LIABILITIES

Liabilities

Item		31.12.2013 K€	31.12.2012 K€
	Current liabilities		
P1	Trade payables	1,859	2,335
P2	Advance payments received	22	334
P3	Provisions	1,351	1,585
P4	Current income tax liabilities	468	763
P5	Other financial liabilities	3,007	2,677
P5	Other current liabilities	1,612	1,586
	Total current liabilities	**8,319**	**9,280**
	Non-current liabilities		
P3	Non-current provisions	573	540
P6	Deferred tax liabilities	900	409
	Total non-current liabilities	**1,473**	**949**
	Shareholders' equity		
P7	Subscribed Capital	9,020	9,020
P8	Capital reserve	23,821	35,221
P9	Retained earnings	28,630	17,838
P10	Exchange rate differences	95	197
	Total shareholders' equity	**61,566**	**62,276**
	Total shareholders' equity and liabilities	**71,358**	**72,505**

CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement

Item		31.12.2013 K€	31.12.2012 K€
	Cash flow from operating activities		
	Net profit for the period after interest and taxes	4,723	6,638
G10	Adjustment of net profit for income tax expense (+)	2,323	3,028
G9	Adjustment of net profit for interest expense (+)	129	17
G9	Adjustment of net profit for interest income (-)	-403	-435
G7	Adjustment of net profit for depreciation and amortisation expense (+)	1,068	859
P3	Increase (+) / decrease (-) in provisions	-199	191
A6 to A8	Gains (-) / losses (+) on the disposal of non-current assets	33	43
A2 to A5, A9	Increase (-) / decrease (+) in inventories, receivables and other assets	1,431	1,207
P1 to P5	Increase (+) / decrease (-) in liabilities	-788	-954
G10	Income taxes repaid (+) / paid (-)	-1,143	-1,074
	Net cash from operating activities	**7,174**	**9,520**
	Cash flow from investing activities		
A6 to A8	Proceeds (+) from the disposal of non-current assets	22	13
A6 to A8	Acquisition (-) of property, plant and equipment and non-current intangible assets	-699	-540
A7	Capitalisation of development costs (-)	-2,275	-1,374
G9	Interest received (+)	474	307
	Net cash used in / from investing activities	**-2,478**	**-1,594**
	Cash flow from financing activities		
P8, P9	Dividend payment (-)	-5,331	-6,664
G9	Interest paid (-)	0	-1
	Net cash and cash equivalents from financing activities	**-5,331**	**-6,665**
	Changes in cash and cash equivalents due to changes in interest rates	-94	-57
	Cash and cash equivalents		
	Changes in cash and cash equivalents	-635	1,261
A1	Cash and cash equivalents as of 1 January	30,014	28,810
A1	**Total cash and cash equivalents**	**29,285**	**30,014**

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 as of 1 Jan. 2012	9,020	35,221	236	17,864	62,341
Net profit for the period	0	0	0	6,638	6,638
Other earnings	0	0	-39	0	-39
Total earnings	**0**	**0**	**-39**	**6,638**	**6,599**
Dividends	0	0	0	-6,664	-6,664
Shareholders' equity as of 31 Dec. 2012	9,020	35,221	197	17,838	62,276
Shareholders' equity as of 1 Jan. 2013	9,020	35,221	197	17,838	62,276
Net profit for the period	0	0	0	4,723	4,723
Other earnings	0	0	-102	0	-102
Total earnings	**0**	**0**	**-102**	**4,723**	**4,621**
Dividends	0	0	0	-5,331	-5,331
Capital increase	22,550	-22,550	0	0	0
Capital decrease	-22,550	22,550	0	0	0
Withdrawal	0	-11,400	0	11,400	0
Shareholders' equity as of 31 Dec. 2013	9,020	23,821	95	28,630	61,566

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 7 March 2014 by the Executive Board for presentation to the Supervisory Board.

The consolidated financial statements and the 2012 group management report were submitted to and published in 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 2013 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 as of the reporting date of 31 December 2013.

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

Compared to the consolidated financial statements dated 31 December 2012, the following standards and interpretations have changed or became mandatory following their adoption under EU law or the effective date of the provisions:

Annual improvements – 2009-2011 cycle

The annual improvements published on 17 May 2011 were adopted in EU law upon announcement in the Official Journal of the EU on 28 March 2013 and must be mandatorily applied to all financial years starting on or after 1 January 2013. The annual improvements saw amendments made to five standards. The adjustment of the wording in individual standards aims to clarify the existing rules. Some amendments also have an impact on recognition, measurement and the notes. These amendments affect IAS 1, IAS 16, IAS 32, IAS 34 and IFRS 1. The amendments have not had any material effect on the consolidated financial statements of Viscom.

Amendment to IFRS 7 – "Offsetting of Financial Assets and Liabilities"

The amendment published on 16 December 2011 was adopted in EU law upon announcement in the Official Journal of the EU on 29 December 2012 and must be mandatorily applied to all financial years starting on or after 1 January 2013. Along with the clarifying amendment to IAS 32, this also broadened the note requirements in IFRS 7. The amendment to IAS 32 clarifies the prerequisites that must be met to offset financial instruments. The amendments to IFRS 7 introduce additional disclosure obligations for off-set financial instruments. Additional disclosures must be made for instruments with global offsetting or similar agreements. The amendment to this standard has not had any effect on the consolidated financial statements of Viscom.

IFRS 13 – "Fair Value Measurement"

The standard published on 28 May 2009 was adopted in EU law upon announcement in the Official Journal of the EU on 29 December 2012 and must be mandatorily applied to all financial years starting on or after 1 January 2013. The standard defines the term "fair value" and provides a coherent scope for measuring it. All measurements at fair value demanded in accordance with other standards will have to follow the uniform guidelines of IFRS 13; separate rules will continue to be provided for IAS 17 and IFRS 2. This standard has not had any material effect on the consolidated financial statements of Viscom.

Amendments to IAS 1 – "Presentation of Items of Other Comprehensive Income"

The amendment published on 16 June 2011 was adopted in EU law upon announcement in the Official Journal of the EU on 6 June 2012 and must be mandatorily applied to all financial years starting on or after 1 July 2012. This amendment introduces new regulations for the presentation of other comprehensive income. Items of other comprehensive income which are later reclassified to the income statement must be presented separately from items of other comprehensive income which cannot be reclassified to the income statement. Viscom adjusted the presentation of income statement accordingly.

Amendments to IAS 12 – "Recovery of Underlying Assets"

The amendment published on 20 December 2010 was adopted in EU law upon announcement in the Official Journal of the EU on 29 December 2012 and must be mandatorily applied to all financial years starting on or after 1 January 2013. The amendment introduces a refutable assumption that under ordinary circumstances, the carrying amount is recovered during a sale. The corresponding amendments to this standard were unimportant for Viscom.

Amendments to IAS 19 – "Employee Benefits"

The amendment published on 16 June 2011 was adopted in EU law upon announcement in the Official Journal of the EU on 29 December 2012 and must be mandatorily applied to all financial years starting on or after 1 January 2013. In addition to extensive disclosure requirements for employee benefits, the amendment also eliminates the previous option of recognising actuarial gains and losses. As a result, actuarial gains and losses may only be recognised directly and in full in other income. Moreover, past service costs may only be recognised directly in the income statement in the year in which they are incurred. A further amendment states that only a return on plan assets that is equal to the discount rate applied to the pension obligations at the start of the period will be permitted. Amendments have also been made regarding how administrative expenses for plan assets are taken into account as well as a change in the definition of termination benefits. The amendment to this standard has not had any effect on the consolidated financial statements of Viscom.

Amendments to IAS 36 – "Recoverable Amount"

The amendment published on 29 May 2013 was adopted in EU law upon announcement in the Official Journal of the EU on 20 December 2013 and must be mandatorily applied to all financial years starting on or after 1 January 2014. Viscom applies this amendment early. The amendment relates to the clarification in connection with the required disclosures of the recoverable amount for non-financial assets. It also results in new disclosure obligations in the event of the impairment or reversed impairment of an asset or a cash-generating unit for which the recoverable amount was determined on the basis of the fair value less disposal costs. The amendment to this standard has not had any effect on the consolidated financial statements of Viscom.

IFRIC 20 – "Stripping Costs in the Production Phase of a Surface Mine"

The interpretation published on 19 October 2011 was adopted in EU law upon announcement in the Official Journal of the EU on 29 December 2012 and must be mandatorily applied to all financial years starting on or after 1 January 2013. The removal of excavated materials may be of benefit for the Group. IFRIC 20 interprets how to report such benefits and how to carry out first-time and subsequent measurements. This interpretation has not had any effect on the consolidated financial statements of Viscom.

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 regard 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
IAS 16 IAS 24 IAS 38 IFRS 2 IFRS 3 IFRS 8	Annual Improvements 2010-2012	The amendments adjusted the wording to clarify the existing rules. Other amendments impacted the recognition, measurement and notes.	01.07.2014	No
IAS 40 IFRS 3 IFRS 13	Annual Improvements 2011-2013	The amendments adjusted the wording to clarify the existing rules. Other amendments impacted the recognition, measurement and notes.	01.07.2014	No
IFRS 10 IFRS 12 IAS 27	Investment Entities	Exemption provision for qualified investment entities to consolidate subsidiaries.	01.01.2014	Yes
IFRS 10 IFRS 11 IFRS 12	Transition Guidance	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (amendments to IFRS 10, IFRS 11 and IFRS 12).	01.01.2014	Yes

Standard / Inter-pretation			Mandatory application for financial years from	Adopted by the EU Com-mission
IFRS 7	"Financial Instruments: Disclosures" – Mandatory Effective Date and Transition Disclosures	The amendment introduces additional disclosure obligations in the transitional phase.	still to be determined	No
IFRS 9	"Financial Instruments: Classification and Measurement" – Financial Assets	Governs the classification and measurement of financial assets.	still to be determined	No
IFRS 9	"Financial Instruments: Classification and Measurement" – Financial Liabilities	Governs the classification and measurement of financial liabilities.	still to be determined	No
IFRS 9	"Financial Instruments: Hedge Accounting"	Governs hedge accounting.	still to be determined	No
IFRS 9	"Financial Instruments" – Mandatory Effective Date and Transition Disclosures	The amendment provides regulations that allow the adjustment of the previous year's figures to be waived when applying IFRS 9 for the first time.	still to be determined	No
IFRS 10	"Consolidated Financial Statements"	Provides principles for the presentation and preparation of consolidated financial statements when a parent company controls one or more subsidiaries.	01.01.2014	Yes
IFRS 11	"Joint Arrangements"	Stipulates that a party to a joint arrangement has to assess and recognise the type of joint arrangement on the basis of its rights and obligations.	01.01.2014	Yes
IFRS 12	"Disclosures of Interests in Other Entities"	Regulations regarding the disclosure of information that enables the user to assess the type and risks of an investment as well as the effects of an investment on net assets, financial position and results of operations.	01.01.2014	Yes

Standard / Inter-pretation			Mandatory application for financial years from	Adopted by the EU Com-mission
IAS 19	"Accounting for Em-ployee Contributions to Defined Benefit Plans"	The amendment introduces an option as to the accounting of defined pension plans in which em-ployees or third parties participate in the form of compulsory contributions.	01.07.2014	No
IAS 27	"Separate Financial Statements"	The amendment changes the standard insofar as that this only provides regulations for the accoun-ting of subsidiaries, joint ventures and associated companies in IFRS separate financial statements.	01.01.2014	Yes
IAS 28	"Investments in Associates and Joint Ventures"	The amendment broadens the regulations for the scope of the equity method.	01.01.2014	Yes
IAS 32	"Financial Instruments: Presentation" – Offset-ting of Financial Assets and Liabilities	Adaptation of IAS 32 to the amended require-ments of IFRS 7 and additional clarifications for application guidelines.	01.01.2014	Yes
IAS 39	"Novation of Derivatives"	The amendment affects a regulation pertaining to the accounting of derivatives which, despite their novation, remain as hedging instruments in exi-sting hedge accounting.	01.01.2014	Yes
IFRIC 21	"Levies"	The interpretation provides guidance as to the ac-counting of levy obligations that do not constitute income taxes.	01.01.2014	No

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

The amendments to IFRS 1 and IFRS 14 have not been presented as Viscom is not applying IFRS for the first time; consequently, this does not have any effect on the consolidated financial statements of Viscom.

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

Certain items in the consolidated 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 2013. 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.

All intercompany profits and losses, income and expenses as well as receivables and liabilities between the companies are eliminated. Deferred taxes are recognised for consolidation measures affecting profit or loss.

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. The difference between the excess of acquisition costs, the amount of non-controlling interests in the acquired company and the fair value of all previously held shares at the time of acquisition and the share of the Group in the net assets measured at fair value is recognised as goodwill. If the acquisition costs are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognised directly in income just as acquisition costs are recognised immediately in expenses.

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 S.A.R.L.	Cergy Pontoise Cedex, France	100 %	2001
Viscom Machine Vision Pte Ltd.	Singapore, Singapore	100 %	2001
Viscom Inc.	Atlanta, USA	100 %	2001
Viscom Machine Vision Trading Co. Ltd.	Shanghai, China	100 %	2007
Viscom Tunisie S.A.R.L.	Tunis, Tunisia	99.99 %	2010

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.

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 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 inde-pendent of those of other units.

Summary of significant accounting and measurement principles

Intangible assets

Intangible assets are carried at cost during first-time recognition. 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 production 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 with a limited useful life 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 consolidated income statement. There are no intangible assets with an unlimited useful life.

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 over the fair value of the acquirer's share of the identifiable assets, liabilities and contingent liabilities of the acquired operations. If the acquisition costs are lower than the net assets measured at fair value of the acquired subsidiary, the difference is recognised directly in income.

After initial recognition, goodwill is subjected to an annual impairment test and carried at cost less any accumulated impairment losses. Goodwill may not be written up.

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, use or sell 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.

Other development costs that do not meet these criteria are recognised as expenses when they are incurred. Development costs that have been recognised as an expense in previous periods are not stated as assets in subsequent reporting periods. Capitalised development costs are recognised as intangible assets and amortised on a straight-line basis from the time they become usable over their useful life, but over a maximum of 15 years. An annual impairment test is carried out on any capitalised development costs that are not yet ready for use for the cash generating unit.

Viscom has five submitted patents. With the exception of registering two patents in Taiwan and the USA, none of these patents were issued as of 31 December 2013.

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 and that costs can be reliably determined. All other subsequent expenditure should be recognised as an expense in the period in which it is incurred. Expenses for repairs and maintenance, which are not major replacement investments, are recognised in expenses on the consolidated income statement in the financial year they are 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.

Gains or losses from the disposal of property, plant and equipment is the difference between the sales income and carrying amount of the item of property, plant and equipment and recognised under "Other operating income" or "Other operating expenses".

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 a definite 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 annual impairment test is carried out on intangible assets with an indefinite useful life and any intangible assets that are not yet ready for use for the cash generating unit.

Financial investments and other financial assets and liabilities

Financial instruments (financial assets and financial liabilities) according IAS 32 and IAS 39 are divided into the following categories:

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. The Management determined the classification of financial assets upon initial recognition.

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. Foreign currency items are translated at the middle rate prevailing at the reporting date. Gains and losses due to changes in the fair value of financial instruments are recognised in income.

One exception are gains and losses from changes in fair value of financial assets held for sale, excluding receivables. They are recognised separately in equity until the disposal of the financial instrument.

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.

As the Group operates internationally, it is subject to market risks arising from changes in exchange rates. In the 2013 financial year, Viscom 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). Production costs of finished and unfinished products include costs for the product design, raw materials, auxiliary materials and supplies, direct staff costs, other direct costs and general costs directly attributable to their production (based on average production capacities).

Inventories are measured at the lower of acquisition or production cost as calculated using the weighted average method less discount for obsolescence, taking volume deductions into account, and their fair value less cost to sell.

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.

Raw materials, auxiliary materials and supplies intended for production are impaired in case of inventory coverage for more than one year (slow mover measurement). Inventory coverage is calculated based on historic sales in previous years. 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 initially recognised at cost, corresponding to the fair value of the consideration, and in subsequent periods at amortised cost using the effective interest method 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. Uncollectible amounts therefore result in bad debts, which are then written down. These write-downs are recognised in a separate account. 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 and costs 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.

Viscom recognises a liability under trade payables for all unfinished construction con-tracts with a negative balance payable to customers, where the total of all partial invoices exceeds the incurred costs plus recognised gains (or less recognised losses).

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.

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.

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 income tax rates of the foreign subsidiaries vary between 17 % (previous year: 17 %) and 35 % (previous year: 39 %).

Deferred taxes are recognised in income, unless they relate to items that have been recognised directly in equity or other result. In this case, deferred taxes are also recognised in equity or other result in the income statement.

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 2013.

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 "Currency translation differences". When a foreign Group company is sold, exchange differences previously recognised directly in equity are reclassified to income as part of the gain or loss from disposal.

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 2013

	1 EUR = x CNY	1 EUR = x TND	1 EUR = x USD
Closing rate	8.3491	2.2556	1.3791
Average rate	8.1655	2.1521	1.3282

Translation exchange rates 2012

	1 EUR = x CNY	1 EUR = x TND	1 EUR = x USD
Closing rate	8.2207	2.0470	1.3194
Average rate	8.1052	2.0008	1.2848

Notes to the consolidated income statement

(G1) Revenue

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

Revenue	2013 K€	2012 K€
Construction and delivery of machines	36,463	37,515
Services / replacement parts	13,141	12,162
Rentals	216	360
Total	49,820	50,037

(G2) Other operating income

Other operating income is composed of the following items:

Other operating income	2013 K€	2012 K€
Income from the release of other provisions for warranties and repairs	1,033	914
Income from the release of other provisions	568	10
Non-monetary remuneration	505	414
Income from the release of value adjustments on receivables	474	480
Income from exchange rate differences	206	82
Investment grants	51	165
Income from sales of assets	8	10
Income from receivables previously written off	0	21
Insurance recoveries	0	3
Miscellaneous other operating income	119	12
Total	2,964	2,111

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.

(G3) Changes in finished goods and work in progress

Changes in finished goods and work in progress include the inventory-based manufacturing costs for finished and partially completed machines. The net value of these machines and assemblies is € 10,159 thousand (previous year: € 10,350 thousand) at a cost of € 16,900 thousand (previous year: € 17,187 thousand) and corresponding value adjustment of € 6,741 thousand (previous year: € 6,837 thousand).

(G4) Other capitalised company-produced assets

Company-produced assets for new developments were capitalised in the 2013 financial year at the amount of € 2,275 thousand (previous year: € 1,374 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	2013 K€	2012 K€
Materials including incidental costs of acquisition	15,589	15,205
Purchased services	647	612
Total	16,236	15,817

The rise in the cost of materials resulted from the change in the revenue structure.

(G6) Staff costs

Staff costs comprise salaries and employer social security contributions:

Staff costs	2013 K€	2012 K€
Wages and salaries, incl. bonuses and management bonuses	16,786	15,330
Social security contributions	2,697	2,577
Total	**19,483**	**17,907**
Number of employees (average for the year)	296	285
Number of trainees (average for the year)	10	9
Total	**306**	**294**

Staff costs rose, primarily on account of the higher total pay resulting from the increase in the number of Group employees, the pay rise in 2013, as well as greater provisions for residual holidays, overtime and bonus payments.

In the period under review, payments were made to defined contribution pension plans in the amount of € 1,062 thousand (previous year: € 1,016 thousand).

(G7) Depreciation and amortisation expense

Information on depreciation and amortisation expense can be found in notes A6-A7 for the balance sheet assets.

(G8) Other operating expenses

Other operating expenses can be broken down as follows:

Other operating expenses	2013 K€	2012 K€
General and administrative costs	4,366	4,026
Rents / leases / building costs	1,851	1,696
Travel expenses	1,534	1,534
Selling expenses	1,531	1,717
Warranty / repair expenses	920	1,126
Outgoing shipments	486	438
Expenses due to exchange rate differences	470	169
Value adjustment on receivables and losses on receivables	317	69
Total	**11,475**	**10,775**

The rise in other operating expenses is mainly due to higher general and administrative costs, expenses for exchange rate differences as well as greater expenses for value adjustments on receivables and losses on receivables.

(G9) Financial result

Financial income was almost on par with the previous year. Financial income includes € 163 thousand in income from other accounting periods (previous year: € 0 thousand). Financial expenses were up due to the value adjustment of financial assets. No new corporate bonds were acquired in 2013. The remaining financial assets were either invested in term deposits or held in direct access savings accounts. The financial result was € 274 thousand (previous year: € 418 thousand).

(G10) Income taxes

Taxes on income for the financial years ending 31 December 2013 and 2012 contain the following income and expense items:

Income taxes	2013 K€	2012 K€
Actual taxes on income for the past financial year	1,598	1,311
Deferred taxes on income from the accrual and reversal of temporary differences and tax loss carry-forwards	566	1,718
Actual taxes on income for previous years	159	-1
Income tax expense reported in the consolidated income statement	**2,323**	**3,028**

Actual taxes on income for the past financial year relate to Viscom AG as well as the foreign subsidiaries in France, America and Singapore. Actual taxes on income for previous years of € 159 thousand originated from expected adjusted assessment for previous years due to the as yet incomplete tax audit of Viscom AG. The deferred tax expense primarily resulted from the use of tax loss carry-forwards and also from changes in the temporary differences between the IFRS and tax balance sheets at the level of the German, American, and Asian companies. 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 as follows:

Reconciliation of income tax expense	2013 K€	2012 K€
Consolidated net profit before taxes	7,046	9,666
Anticipated tax income / expense based on 32 % (previous year: 32 %)	2,254	3,093
Difference compared to the corporate tax rate	-64	62
Non-deductible operating expenses	75	60
Use of previously unrecognised tax loss carry-forwards	-61	-18
Tax-free income	-31	-70
Capitalisation of tax loss carry-forwards previously assessed as not being useful	-13	0
Taxes for other accounting periods	164	-38
Other	-1	-61
Actual tax expense	**2,323**	**3,028**

Deferred tax liabilities	Consolidated balance sheet 2013 K€	2012 K€
Intangible assets	1,981	1,405
Measurement of property, plant and equipment	8	0
Other receivables and assets	0	48
Measurement of financial investments	0	8
Measurement of trade receivables	3	3
Gross amount	**1,992**	**1,464**
Offsetting	-1,092	-1,055
Net amount	**900**	**409**

Deferred tax assets	Consolidated balance sheet 2013 K€	2012 K€
Tax loss carry-forwards	251	287
Inventories	925	830
Measurement of trade receivables	93	103
Other liabilities	88	114
Measurement of property, plant and equipment	39	68
Unrealised revenue	34	34
Other financial liabilities	28	38
Measurement of provisions	26	26
Deferred taxes from elimination of intercompany profits	7	46
Gross amount	**1,491**	**1,546**
Offsetting	-1,092	-1,055
Net amount	**399**	**491**

Deferred tax assets and liabilities were offset 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 2013 were, similar to the previous year, recorded in income. Viscom AG, Hanover had no corporate and trade tax loss carry-forwards as of 31 December 2013 due to the use of tax loss carry-forwards in the previous year. The external tax audit did not recognise expenses relating to the write-downs of loans for 2002 and 2003. A suit has since been brought before the Niedersächsischen Finanzgericht (Lower Saxony Finance Court) against the corresponding assessments. The corporate and trade tax loss is likely to increase by € 743 thousand if our suit is successful. € 238 thousand in deferred taxes were capitalised in light of our chances of success.

Due to uncertainties about the outcome of an ongoing court appeal, around € 5,200 thousand in corporate tax loss carry-forwards were not taken into account in the reporting year. There is no legal time limit for using the domestic and foreign tax loss carry-forwards.

Also, no deferred tax liabilities were recognised for retained profits amounting to € 4,908 thousand (previous year: € 3,500 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

On the basis of 8,885,060 shares as an average for the year, earnings per share for the 2013 financial year amounted to € 0.53 (diluted and undiluted). In the previous year, earnings per share amounted to € 0.75 (diluted and undiluted), calculated on the basis of 8,885,060 shares. Earnings on which the calculation is based (diluted and undiluted) totalled € 4,723 thousand (previous year: € 6,638 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 € 29,285 thousand (previous year: € 30,014 thousand). This relates to items with a maturity of less than three months at the end of the year, which are freely disposable.

(A2) Trade receivables

Trade receivables are generally due within 30 to 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.

The amounts are only offset if Viscom can legally enforce the offsetting of the amounts at that point in time and intends to actually offset the amounts. Trade receivables were not offset against trade payables. No other legally enforceable offsetting agreements exist.

Doubtful receivables, which were written off in full, amounted to € 614 thousand (previous year: € 357 thousand). Cumulative value adjustments on receivables totalled € 1,072 thousand (previous year: € 1,189 thousand).

Some customers were late in meeting their payment obligations in 2013. There were payments of € 0 thousand (previous year: € 21 thousand) for receivables written off and derecognised.

Value adjustments on receivables developed as follows:

	2013 K€	2012 K€
As of 1 January	1,189	1,600
Additions to value adjustments on receivables	99	0
Receivables written off as unrecoverable during the financial year	258	69
Reversal of unused impairment losses	-474	-480
As of 31 December	1,072	1,189

(A3) Current income tax assets

Current income tax assets as of 31 December 2013 consisted of Viscom AG tax refund claims of € 1,150 thousand mainly due to excessive prepayments for the 2013 assessment period.

(A4) Inventories

Inventories	2013 K€	2012 K€
Raw materials and supplies	5,534	4,763
Assemblies and partially completed systems	5,804	6,827
Completed systems	4,355	3,523
Total	15,693	15,113

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 as well as systems currently under construction (work in progress). In 2013, all inventories, especially those of completed and partially completed systems, were recognised at the same carrying values as in 2012.

At the end of 2013, the cumulative impairment loss was € 3,491 thousand (previous year: € 3,626 thousand) on raw materials, auxiliary materials and supplies, € 1,984 thousand (previous year: € 2,291 thousand) on partly completed systems and assemblies and € 4,757 thousand (previous year: € 4,546 thousand) on completed systems.

(A5) Other financial receivables and other assets

Other financial receivables and other assets	2013 K€	2012 K€
Bonds	4,022	2,618
Security deposits for leases / duties	122	95
Interest receivable on corporate bonds	100	118
Creditors with debit balances	25	12
Subtotal of other financial receivables	**4,269**	**2,843**
Advance payments	443	257
Miscellaneous assets	83	94
Other receivables	378	200
Subtotal of other assets	**904**	**551**
Total	5,173	3,394

Please see note A8 for information on the bonds.

(A6-A7) Property, plant and equipment / intangible assets

Intangible assets in K€	Patents and similar rights and assets	Software	Goodwill	Advanced payments for intangible assets	Devel-opment costs	Total intangible assets
Gross carrying amounts						
Cost as of 01.01.2013	**2,288**	**1,623**	**15**	**0**	**4,817**	**8,743**
Exchange rate differences	0	-1	0	0	0	-1
Additions	0	86	0	11	2,275	2,372
Reclassifications	0	0	0	0	0	0
Disposals	0	2	0	0	0	2
Cost as of 31.12.2013	**2,288**	**1,706**	**15**	**11**	**7,092**	**11,112**
Value adjustments						
Accumulated depreciation / amortisation as of 01.01.2013	**2,288**	**1,349**	**15**	**0**	**426**	**4,078**
Exchange rate differences	0	-1	0	0	0	-1
Depreciation / amortisation for the current year	0	192	0	0	477	669
Depreciation / amortisation of disposals	0	2	0	0	0	2
Accumulated depreciation / amortisation as of 31.12.2013	**2,288**	**1,538**	**15**	**0**	**903**	**4,744**
Carrying amounts						
As of 31.12.2013	**0**	**168**	**0**	**11**	**6,189**	**6,368**

Property, plant and equipment in K€	Leasehold improve-ments	Technical equipment and machi-nery	Operating and office equipment	Vehicles	Total property, plant and equip-ment	Total prop-erty, plant and equip-ment and intangible assets
Gross carrying amounts						
Cost as of 01.01.2013	**1,167**	**968**	**2,782**	**326**	**5,243**	**13,986**
Exchange rate differences	-18	0	-15	-7	-40	-41
Additions	226	70	265	41	602	2,974
Reclassifications	0	5	-5	0	0	0
Disposals	0	41	131	33	205	207
Cost as of 31.12.2013	**1,375**	**1,002**	**2,896**	**327**	**5,600**	**16,712**
Value adjustments						
Accumulated depreciation / amortisation as of 01.01.2013	**947**	**822**	**2,249**	**105**	**4,123**	**8,201**
Exchange rate differences	-17	0	-5	-4	-26	-27
Depreciation / amortisation for the current year	66	8	270	55	399	1,068
Reclassifications	0	5	-5	0	0	0
Depreciation / amortisation of disposals	0	0	136	29	165	167
Accumulated depreciation / amortisation as of 31.12.2013	**996**	**835**	**2,373**	**127**	**4,331**	**9,075**
Carrying amounts						
As of 31.12.2013	**379**	**167**	**523**	**200**	**1,269**	**7,637**

Intangible assets in K€	Patents and similar rights and assets	Software	Goodwill	Advanced payments for intangible assets	Devel-opment costs	Total intangible assets
Gross carrying amounts						
Cost as of 01.01.2012	2,288	1,594	15	79	3,443	7,419
Exchange rate differences	0	-1	0	0	0	-1
Additions	0	50	0	6	1,374	1,430
Reclassifications	0	85	0	-85	0	0
Disposals	0	105	0	0	0	105
Cost as of 31.12.2012	2,288	1,623	15	0	4,817	8,743
Value adjustments						
Accumulated depreciation / amortisation as of 01.01.2012	2,288	1,286	15	0	207	3,796
Exchange rate differences	0	-1	0	0	0	-1
Depreciation / amortisation for the current year	0	169	0	0	219	388
Depreciation / amortisation of disposals	0	105	0	0	0	105
Accumulated depreciation / amortisation as of 31.12.2012	2,288	1,349	15	0	426	4,078
Carrying amounts						
As of 31.12.2012	0	274	0	0	4,391	4,665

Property, plant and equipment in K€	Leasehold improve-ments	Technical equipment and machi-nery	Operating and office equipment	Vehicles	Total property, plant and equip-ment	Total prop-erty, plant and equip-ment and intangible assets
Gross carrying amounts						
Cost as of 01.01.2012	1,156	935	2,957	359	5,407	12,826
Exchange rate differences	-8	0	-8	-2	-18	-19
Additions	20	123	273	68	484	1,914
Reclassifications	0	0	0	0	0	0
Disposals	1	90	440	99	630	735
Cost as of 31.12.2012	1,167	968	2,782	326	5,243	13,986
Value adjustments						
Accumulated depreciation / amortisation as of 01.01.2012	891	815	2,388	150	4,244	8,040
Exchange rate differences	-8	0	-6	-1	-15	-16
Depreciation / amortisation for the current year	65	50	303	53	471	859
Depreciation / amortisation of disposals	1	43	436	97	577	682
Accumulated depreciation / amortisation as of 31.12.2012	947	822	2,249	105	4,123	8,201
Carrying amounts						
As of 31.12.2012	220	146	533	221	1,120	5,785

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
Operating and office equipment	8 - 20
Vehicles	5 - 8
Software	1 - 6
Patents	12
Expertise / customer base	3 - 5
Development projects	3 - 5

Intangible assets and property, plant and equipment include written-off assets which are still in use and carried at historic cost totalling € 4,423 thousand (previous year: € 3,021 thousand).

€ 2,275 thousand in development costs was recognised in the period under review (previous year: € 1,374 thousand).

(A8) Financial investments / loans and securities for rent granted by the company

The short-term bonds are reported under other financial receivables at the amortised cost of € 4,022 thousand. The long-term bonds are reported under financial investments at the amortised cost of € 518 thousand. An additional € 6 thousand in security deposits from subsidiaries are recognised in financial investments. The Group plans to hold the bonds to maturity based on the current high yield. The residual value of all corporate bonds was € 4,611 thousand as of 31 December 2013. 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 € 13 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.

(A9) Deferred tax assets

A breakdown of this item is provided as part of the explanatory notes on the income statement tax items under G10.

Notes to the shareholders' equity and liabilities

(P1) Trade payables

Trade payables are initially recognised at cost, corresponding to fair value. Subsequent measurements are carried out at cost using the effective interest method. 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 in K€	01.01.2013	Utilisation	Dissolu-tion	Addition	31.12.2013
Current provisions					
Warranty and repair expenses	1,585	-746	-672	1,184	1,351
Total current provisions	1,585	-746	-672	1,184	1,351
Non-current provisions					
Anniversaries	158	-5	-3	27	177
Warranties	382	-2	-364	380	396
Total non-current provisions	540	-7	-367	407	573
Total	2,125	-753	-1,039	1,591	1,924

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 increased compared to the previous year due to the rise in the number of systems sold.

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

Anniversary provisions amounting to € 177 thousand (previous year: € 158 thousand) and the long-term component of warranty provisions in the amount of € 396 thousand (previous year: € 382 thousand) are included in non-current provisions. A claim is anticipated for warranty provisions within 12 to 36 months and for the anniversary provision within 12 to 300 months.

(P4) Current income tax liabilities

Current income tax liabilities comprise trade tax provisions (€ 81 thousand) and corporate tax provisions (€ 128 thousand) of Viscom AG as well as tax provisions of the subsidiaries in Shanghai (€ 130 thousand) and the USA (€ 129 thousand).

(P5) Other current and financial liabilities

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

Other current and financial liabilities	2013 K€	2012 K€
Management bonuses, incentives, one-time payments	1,783	1,443
Commission payments to agents	822	839
Outstanding purchase invoices	173	160
Social security	146	153
Supervisory Board	77	77
Debtors with a credit balance	6	5
Subtotal of other financial liabilities	3,007	2,677
Holiday, overtime	871	741
Taxes	222	217
Other	519	628
Subtotal of other current liabilities	1,612	1,586
Total	4,619	4,263

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.

Liabilities for management bonuses, incentives and one-time payments increased year on 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) Deferred tax liabilities

A breakdown of this item is provided as part of the explanatory notes on the income statement tax items under G10.

(P7 bis 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 AG initiated a buy-back of its own shares over the stock exchange on that date. 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.

In the 2013 financial year, no further shares were acquired in this context. The number of dividend-bearing shares remained the same at 8,885,060 on 31 December 2013.

In the 2013 financial year, a dividend of € 0.60 per share was distributed for the 2012 financial year.

The diluted and basic earnings per share is determined by dividing the consolidated net profit for the period by the number of dividend-bearing 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 15 June 2016 by a total of up to € 4,500,000 through the issue of up to 4,500,000 new no-par value bearer common shares (no-par value shares) against cash or non-cash contributions (authorised capital 2011).

SEGMENT INFORMATION

Disclosures on the Group's geographic segments by sales market

	Europe		Asia		Americas		Consolidation		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	K€	K€	K€	K€	K€	K€	K€	K€	K€	K€
External sales	29,532	32,470	12,031	8,954	8,257	8,613	0	0	49,820	50,037
Segment result	4,907	7,974	889	494	894	958	82	-178	6,772	9,248
plus financial result	0	0	0	0	0	0	0	0	274	418
less income taxes	0	0	0	0	0	0	0	0	-2,323	-3,028
Consolidated net profit									**4,723**	**6,638**
Segment assets	58,256	55,191	7,546	6,973	3,615	4,603	-132	-218	69,285	66,549
plus financial assets	2,271	6,427	0	0	0	0	-1,747	-1,747	524	4,680
plus deferred taxes and tax provisions	0	0	0	0	0	0	0	0	1,549	1,276
Total assets									**71,358**	**72,505**
Segment liabilities	8,337	8,556	4,130	4,051	2,028	3,546	-6,644	-7,636	7,851	8,517
plus financial liabilities	573	540	0	0	0	0	0	0	573	540
plus deferred taxes and tax provisions	1,368	1,172	0	0	0	0	0	0	1,368	1,172
Total liabilities									**9,792**	**10,229**
Investments	2,932	1,813	0	16	42	85	0	0	2,974	1,914
Depreciation / amortization	985	742	56	132	57	58	-30	-73	1,068	859

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. The Management evaluates the segment results and manages these on the basis of EBIT as a central benchmark. 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. The reportable segments generate the majority of their revenue by producing and selling the product groups stated in the table below. Viscom generated approximately 54 % (previous year: 59 %) of its revenue with its five largest customers. External sales amounted to € 14,390 thousand (previous year: € 18,367 thousand) in Germany and to € 35,430 thousand (previous year: € 31,670 thousand) in all other countries.

In Germany, total non-current assets, excluding financial instruments and deferred tax assets (the company has no assets in connection with pensions or rights arising from insurance policies), came to € 7,333 thousand (previous year: € 5,515 thousand); in all other countries, these totalled € 317 thousand (previous year: € 396 thousand).

In 2013, the 10 % revenue limit stated in IFRS 8.34 was exceeded with two customers. Revenue from one customer came to € 14,772 thousand (previous year: € 16,935 thousand) and to € 8,366 thousand (previous year: € 8,674 thousand) from the other. Neither customer can be directly allocated to a segment, as different product groups are delivered to them around the world.

The "Optical and X-ray series inspection systems" segment contains all standard AOI and AXI 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 and X-ray inspection systems" are generally developed separately and for a specific customer or group of customers, or are special inspection systems that can be used within a product line or independently as well as X-ray tubes that are sold on to original equipment manufacturers (OEM). The "Service" segment offers an extensive and global range of individual support packages.

Disclosures on the Group's segments

	Optical and X-ray series inspection systems		Special optical and X-ray series inspection systems		Service		Total	
	2013 K€	2012 K€	2013 K€	2012 K€	2013 K€	2012 K€	2013 K€	2012 K€
External sales	33,972	35,922	7,491	6,867	8,357	7,248	49,820	50,037
Segment assets	47,245	47,776	10,418	9,133	11,622	9,640	69,285	66,549
Investments	2,028	1,374	447	263	499	277	2,974	1,914

CASH FLOW STATEMENT

	Europe 2013 K€	Asia 2013 K€	Ameri-cas 2013 K€	Consoli-dation 2013 K€	Total 2013 K€
Cash flow from operating activities					
Net profit for the period after interest and taxes	3,318	780	568	57	4,723
Adjustment of net profit for income tax expense (+)	1,859	109	327	28	2,323
Adjustment of net profit for interest expense (+)	129	0	0	0	129
Adjustment of net profit for interest income (-)	-402	0	-1	0	-403
Adjustment of net profit for depreciation and amortisation expense (+)	984	56	57	-29	1,068
Increase (+) / decrease (-) in provisions	-209	0	10	0	-199
Gains (-) / losses (+) on the disposal of non-current assets	0	222	-4	-185	33
Increase (-) / decrease (+) in inventories, receivables and other assets	2,399	-661	677	-984	1,431
Increase (+) / decrease (-) in liabilities	-441	73	-1,553	1,113	-788
Income taxes repaid (+) / paid (-)	-1,108	-35	0	0	-1,143
Net cash used in/from operating activities	**6,529**	**544**	**101**	**0**	**7,174**
Cash flow from investing activities					
Proceeds (+) from the disposal of non-current assets	4	0	4	14	22
Acquisition (-) of property, plant and equipment and non-current intangible assets	-630	-27	-42	0	-699
Capitalisation of development costs (-)	-2,275	0	0	0	-2,275
Interest received (+)	474	0	0	0	474
Net cash used in/from investing activities	**-2,427**	**-27**	**-38**	**14**	**-2,478**
Cash flow from financing activities					
Dividend payment (-)	-5,331	0	0	0	-5,331
Net cash and cash equivalents from financing activities	**-5,331**	**0**	**0**	**0**	**-5,331**
Changes in cash and cash equivalents due to changes in interest rates	0	0	-80	-14	-94
Cash and cash equivalents					
Changes in cash and cash equivalents	-1,229	517	63	14	-635
Cash and cash equivalents as of 1 January	25,813	3,173	1,028	0	30,014
Total cash and cash equivalents	**24,584**	**3,690**	**1,011**	**0**	**29,285**

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.

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 and payables, financial assets as well as other receivables and liabilities, the fair values correspond to the carrying amounts recognised at particular reporting dates. The fair values of the category "Financial instruments held to maturity" corresponded to the market values as of 31 December 2013.

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

Assets 31.12.2013	Measurement category	Total		Nominal value		Amortised cost	
				Liquid assets / cash reserve		Loans and receivables (LaR) as well as financial instruments held to maturity (HTM)	
Amounts in K€		Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Bonds	HTM	4,540	4,611	0	0	4,540	4,611
Financial assets and other receivables	LaR	228	228	0	0	228	228
Trade receivables	LaR	11,484	11,484	0	0	11,484	11,484
Liquid assets	LaR	29,285	29,285	29,285	29,285	0	0
Total		**45,537**	**45,608**	**29,285**	**29,285**	**16,252**	**16,323**

Liabilities 31.12.2013 Amounts in K€	Measurement category	Total		Amortised cost			
				Financial liabilities (FL)		Loans and receivables (LaR)	
		Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Trade payables	FV	1,859	1,859	1,859	1,859	0	0
Other financial liabilities	FV	2,861	2,861	2,861	2,861	0	0
Total		**4,720**	**4,720**	**4,720**	**4,720**	**0**	**0**

Assets 31.12.2012 Amounts in K€	Measurement category	Total		Nominal value		Amortised cost	
				Liquid assets / cash reserve		Loans and receivables (LaR) as well as financial instruments held to maturity (HTM)	
		Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Bonds	HTM	7,298	7,311	0	0	7,298	7,311
Financial assets and other receivables	LaR	301	301	0	0	301	301
Trade receivables	LaR	12,117	12,117	0	0	12,117	12,117
Liquid assets	LaR	30,014	30,014	30,014	30,014	0	0
Total		**49,730**	**49,743**	**30,014**	**30,014**	**19,716**	**19,729**

Liabilities 31.12.2012 Amounts in K€	Measurement category	Total		Amortised cost			
				Financial liabilities (FL)		Loans and receivables (LaR)	
		Carrying amount	Fair Value	Carrying amount	Fair Value	Carrying amount	Fair Value
Trade payables	FV	2,335	2,335	2,335	2,335	0	0
Other financial liabilities	FV	2,523	2,523	2,523	2,523	0	0
Total		**4,858**	**4,858**	**4,858**	**4,858**	**0**	**0**

Financial instruments measured at fair value or amortised cost must be classified within a 3-level classification hierarchy. Classification is contingent on the availability of observable market prices. Financial instruments are classified as having level-1 fair value, e.g. shares or securities, if their market prices are directly observable in an active market. Bonds are classified as level 1. The Group has no level-2 or level-3 financial instruments. Due to being short-term in nature, the carrying amounts of all other financial instruments constitute a reasonable approximation of the fair value.

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 ex-penses and other profit components from financial instruments, which are not recognised in income and at fair value.

Interest income of € 403 thousand resulted from liquid assets and bonds in the 2013 financial year (previous year: € 435 thousand). The short-term bonds are reported under other financial receivables at the amortised cost of € 4,022 thousand. The long-term bonds are reported under financial investments at the amortised cost of € 518 thousand.

Viscom plans to hold the bonds to maturity based on the current high yield. The residual value of the corporate bonds was € 4,611 thousand as of 31 December 2013. The value adjustment of trade receivables at € 317 thousand (previous year: € 69 thousand) was recognised in income in the 2013 financial year.

31.12.2013	Gross amount	From interest	From remeasurement		Net amount 2013
Amounts in K€			Currency translation	Value adjustment	
Bonds	4,540	0	0	0	4,540
Financial assets and other receivables	228	0	0	0	228
Trade receivables	12,557	0	0	-1,073	11,484
Liquid assets	29,285	0	0	0	29,285
Total	**46,610**	**0**	**0**	**-1,073**	**45,537**

31.12.2012	Gross amount	From interest	From remeasurement		Net amount 2012
Amounts in K€			Currency translation	Value adjustment	
Bonds	7,308	-10	0	0	7,298
Financial assets and other receivables	301	0	0	0	301
Trade receivables	13,306	0	0	-1,189	12,117
Liquid assets	30,014	0	0	0	30,014
Total	**50,929**	**-10**	**0**	**-1,189**	**49,730**

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

The significant risks for Viscom's financial instruments are 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

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.

No conditions of any financial asset that would otherwise be overdue or impaired were renegotiated in the financial year.

The credit rating of financial assets that are neither overdue nor impaired are determined on the basis of external credit ratings (if available) or historical experiences about default rates of the corresponding business partner.

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

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

Age structure of financial assets 31.12.2013	Gross amount	Not overdue	Overdue in the following time frames				
Amounts in K€			< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Bonds	4,540	4,540	0	0	0	0	0
Financial assets and other receivables	228	228	0	0	0	0	0
Trade receivables	12,557	7,721	1,554	692	102	548	1,940
of which impaired	1,073	38	1	1	9	4	1,020
Total	**17,325**	**12,489**	**1,554**	**692**	**102**	**548**	**1,940**

Age structure of financial assets 31.12.2012	Gross amount	Not overdue	Overdue in the following time frames				
Amounts in K€			< 31 days	31 <> 60 days	61 <> 90 days	91 <> 180 days	> 181 days
Bonds	7,308	7,308	0	0	0	0	0
Financial assets and other receivables	301	301	0	0	0	0	0
Trade receivables	13,306	6,576	1,913	1,051	496	1,353	1,917
of which impaired	1,189	152	2	6	8	96	925
Total	**20,915**	**14,185**	**1,913**	**1,051**	**496**	**1,353**	**1,917**

Interest rate risk

Certain 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 that 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:

Exchange rate risk

As Viscom operates internationally, the Group is also exposed to exchange rate risks. Approximately 9 % of the consolidated revenue is exposed to an exchange rate risk in the parent company. Around 2 % of the parent company's expense 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 2013, net receivables relevant to the exchange rate totalled € 5 million. It includes both the receivables portfolio of Viscom AG and its subsidiary in Singapore 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 2 % 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.

Remaining contractual terms 31.12.2013 Amounts in K€	Carrying amount	Remaining term		
		< 1 year	1 to 5 years	> 5 years
Trade payables	1,859	1,859	0	0
Other financial liabilities	2,861	2,861	0	0
Total	**4,720**	**4,720**	**0**	**0**

Remaining contractual terms 31.12.2012 Amounts in K€	Carrying amount	Remaining term		
		< 1 year	1 to 5 years	> 5 years
Trade payables	2,335	2,335	0	0
Other financial liabilities	2,523	2,523	0	0
Total	**4,858**	**4,858**	**0**	**0**

There were no gross outflows.

Capital management

Viscom's capital management aims to ensure the continued existence of the company as a going concern to continue providing shareholders with income and services due to them.

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 finance operating activities primarily from own funds.

Use of derivative financial instruments

Viscom did not use derivative financial instruments for the purpose of hedging exchange rate and interest risks in the 2013 financial year due to fluctuations in the value of the US dollar and the low transaction volume in US dollars.

Related party disclosures

The remuneration report and the number of shares held by Viscom Executive Board and Supervisory Board members is included in the corporate governance report as part of the management report.

Related parties and affiliated companies

HPC Vermögensverwaltung GmbH held an interest of 68.39 % in Viscom AG as of 31 December 2013. HPC Vermögensverwaltung GmbH is therefore both an affiliated company and the parent company of Viscom AG.

Services of related parties and affiliated companies in K€

From lease contracts:		
HPC Vermögensverwaltung GmbH	2013	95
	2012	70
From services:		
HPC Vermögensverwaltung GmbH	2013	430
	2012	367
From rentals:		
HPC Vermögensverwaltung GmbH	2013	360
	2012	360
Marina Hettwer / Petra Pape GbR	2013	165
	2012	165
Dr. Martin Heuser / Petra Pape GbR	2013	506
	2012	443

Viscom AG has also concluded lease contracts for company vehicles with HPC Vermögensverwaltung GmbH. In 2013, HPC Vermögensverwaltung GmbH provided further services such as company childcare, cleaning services and other miscellaneous services.

The rise in service costs payable to HPC Vermögensverwaltung GmbH is due to an increase in childcare and cleaning services staff.

The future accumulated minimum lease payments for the following periods are:

Lease obligations for company cars	2013 K€	2012 K€
Total	798	1,048
of which to HPC Vermögensverwaltung GmbH (affiliated company)	169	193
within one year of the reporting date	392	395
of which to HPC Vermögensverwaltung GmbH (affiliated company)	73	79
within more than one year but less than five years of the reporting date	406	653
of which to HPC Vermögensverwaltung GmbH (affiliated company)	96	114
within more than five years of the reporting date	0	0

The future services for the following periods are:

Services	2013 K€	2012 K€
Total	430	367
of which to HPC Vermögensverwaltung GmbH (affiliated company)	430	367
within one year of the reporting date	430	367
of which to HPC Vermögensverwaltung GmbH (affiliated company)	430	367
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 eight properties in Carl-Buderus-Straße (CBS) and one property in Fränkische 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.

Loan agreements

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

Agreements with related parties

Agreements with remaining terms of	Rental property	Start of lease	Lease term	Net rent, monthly (€)	Net rent, annual (€)
One year or less	CBS 8 1)	01.01.2013	3 months	4,000	48,000
Between one and five years	CBS 10a 3)	15.11.2005	10 years	15,000	180,000
	CBS 13 1)	01.11.2007	10 years	6,500	78,000
	CBS 15 2)	15.11.2007	10 years	13,750	165,000
	CBS 6 1)	01.12.2007	10 years	2,000	24,000
	FS 28 1)	01.11.2008	5 years	2,200	26,400
More than five years	CBS 9 1)	01.01.2001	10 years	5,000	60,000
	CBS 11 1)	01.08.2001	10 years	22,500	270,000
	CBS 10 3)	01.03.2002	10 years	15,000	180,000
Total rental obligations with a remaining lease term of one year or less					**1,031,400** (previous year: 983,400)
Total rental obligations with a remaining lease term of between one and five years					**3,951,100** (previous year: 4,484,500
Total rental obligations with a remaining lease term of more than five years					**1,387,500** (previous year: 1,919,500)

The rental agreement for rental property CBS 6 was terminated early on schedule in 2013. The rental agreement for rental property CBS 8 was concluded in 2013.

Obligations arising from operating leases for the lessee

Details on vehicle and building leases are disclosed in the section on related parties.

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

Agreements with third parties

Agreements with remaining terms of	Rental property	Start of lease	Lease term	Net rent, monthly (€)	Net rent, annual (€)
One year or less	Munich, Germany	01.10.2013	3 months	495	5,940
Between one and five years	Singapore, Singapore	15.06.2011	1 year	2,125	25,497
	Tunis, Tunisia	15.09.2011	1 year	530	6,357
	San José, USA	01.10.2011	1 year	580	6,961
	Singapore, Singapore	01.12.2010	2 years	5,996	71,955
	Shanghai, China	01.01.2009	2 years	4,670	56,045
	Shanghai, China	01.06.2012	2 years	2,156	25,871
	Atlanta, USA	01.10.2006	5 years	5,003	60,039
	Paris, France	01.08.2004	9 years	2,206	26,475
Total rental obligations with a remaining lease term of one year or less					**282,204** (previous year: 297,592)
Total rental obligations with a remaining lease term of between one and five years					**455,982** (previous year: 425,359)

The agreement dated 15 June 2011 (Singapore, Singapore) was extended for another 12 months in 2013. Moreover, the agreements dated 15 September 2011 (Tunis, Tunisia) and dated 1 October 2011 (San José, USA) were extended for a further year in 2013. The agreement dated 1 January 2009 (Shanghai, China) was extended by a further two years in 2013, and the agreement dated 1 August 2004 (Paris, France) was extended by a further nine years.

Operating lease costs of € 1,851 thousand (previous year: € 1,696 thousand) were recognised in expenses.

Purchase commitments

Purchase commitments from delivery contracts amounted to around € 3,240 thousand (previous year: € 977 thousand) as of 31 December 2013.

Events after the Balance Sheet Date

Viscom AG has received a large order for the delivery of X-ray inspection systems from a customer in the Computers, Communication and Consumer (3C) sector for the electronics production at an EMS in China. Viscom's strategy of developing new markets outside the automotive business is therefore being successfully implemented. The order volume totals approximately € 4 million and will be reported as revenue in the 2014 financial year and is accordingly reflected in the forecast report.

There were no other significant events after the end of the 2013 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 2014. It has been published and is permanently accessible on the Viscom AG website.

Total auditors' fees (section 314 (1) No. 9 of the German Commercial Code (Handelsgesetzbuch – HGB))

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

Total auditors' fees	2013 K€	2012 K€
Year-end audit services	81	81
Other services	19	19
Total	**100**	**100**

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."

Hanover, 7 March 2014

Dr. Martin Heuser Volker Pape Dirk Schwingel

AUDITOR'S REPORT

(Translation – the German text is authoritative)

We have audited the consolidated financial statements prepared by the Viscom AG, Hanover, comprising the balance sheet, the income statement, statement of changes in equity, cash flow statement and the segment report and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2013. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the parent company's Board of Managing Directors. 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 § (Article) 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 (German) 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 companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the company's Board of Managing Directors, 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 legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with (German) 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, 7 March 2014

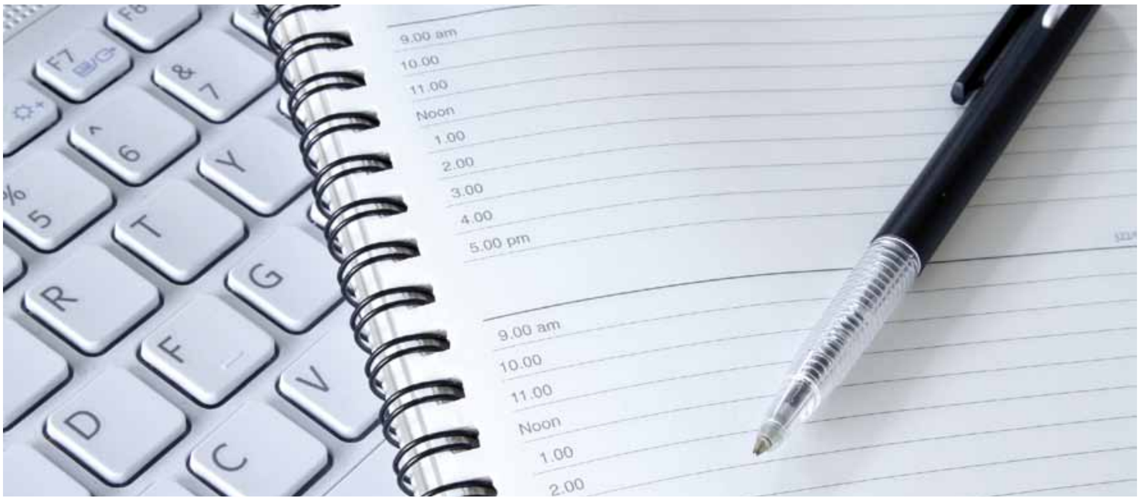
PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Helmuth Schäfer	Prof. Dr. Mathias Schellhorn
German	German
Public Auditor	Public Auditor

GLOSSARY OF TECHNICAL TERMS

Term	Definition
AOI	automated optical inspection
AXI	automated x-ray inspection
CCI	conformal coating inspection
EMS (electronic manufacturing services)	contract manufacturer / subcontractor – especially for Consumer, Communication and Computer products
MX products	infrared-light-machines for tests with electronic semiconductors
MXI	manual x-ray inspection
NP	new products
OEM	original equipment manufacturer
proALPHA	enterprise resource planning (ERP) system
Quality Uplink	facilitates combination of the results of different inspection gates
SP	serial products
SPI	solder paste inspection
SMT	surface-mounted technology
vVision	new machine operating interface
XM technology	new Viscom-camera / lighting technology with three times more throughput than 8M technology and additional options, such as 3D sensors
8M technology	Viscom’s own camera / lighting technology for high image throughput

FINANCIAL CALENDAR 2014



24 MARCH 2014 .... Disclosure of Annual Report 2013, Press Conference
Hanover

25 MARCH 2014 .... DVFA-Analysts and Investors Conference
Frankfurt

13 MAY 2014 .... Disclosure of Interim Management Report 3M/2014
Hanover

27 MAY 2014.. Annual General Meeting
Hanover

12 AUGUST 2014 ....Disclosure of Interim Report 6M/2014, Telephone Conference
Hanover

11 NOVEMBER 2014 .... Disclosure of Interim Management Report 9M/2014
Hanover

FIVE-YEAR REPORT

		2013	2012	2011	2010	2009
Profit and loss						
Revenue	K€	49,820	50,037	53,499	40,024	20,874
EBIT	K€	6,772	9,248	12,014	7,132	-13,893
EBT	K€	7,046	9,666	12,624	7,475	-13,275
Income taxes	K€	-2,323	-3,028	-4,128	3,048	-442
Net profit for the period	K€	4,723	6,638	8,496	10,523	-13,717
Balance sheet						
Assets						
Non-current assets	K€	62,785	61,423	58,578	51,120	43,113
Current assets	K€	8,573	11,082	13,902	11,073	5,005
Total assets	K€	71,358	72,505	72,480	62,193	48,118
Liabilities						
Non-current liabilities	K€	8,319	9,280	9,687	8,232	5,045
Current liabilities	K€	1,473	949	452	299	231
Shareholders' equity	K€	61,566	62,276	62,341	53,662	42,842
Total shareholders' equity and liabilities	K€	71,358	72,505	72,480	62,193	48,118
Cashflow statement						
CF from operating activities	K€	7,174	9,520	11,535	4,686	1,757
CF from investing activities	K€	-2,478	-1,594	-8,814	-4,394	-2,635
CF from financing activities	K€	-5,331	-6,665	86	-6	-26
Cash and cash equivalents at end of period	K€	29,285	30,014	28,810	25,905	25,322
Personnel						
Employees at year-end		300	286	273	264	273
Investments						
Tangible an intangible assets (paid)	K€	699	540	610	449	186
Share						
Number of shares		9,020,000	9,020,000	9,020,000	9,020,000	9,020,000
Dividend payment	K€	15,105	5,331	6,664	0	0
Dividend per share*	€	1.70	0.60	0.75	0.00	0.00
Shareholder capital per share	€	6.83	6.90	6.91	5.95	4.75
Key figures						
EBIT-margin	%	13.6	18.5	22.5	17.8	-66.6
Return on equity	%	7.7	10.7	13.6	19.6	-32.0
Equity ratio	%	86.3	85.9	86.0	86.3	89.0

*Dividend proposal 1,70 € per share for the financial year 2013

IMPRINT

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