

# INTERIM MANAGEMENT REPORT

AS OF 31 MARCH 2011



## SUCCESSFUL FIRST QUARTER FOR VISCOM

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*Viscom AG develops, manufactures and sells high-quality automated optical and X-ray inspection systems for use in industrial electronics production and is one of the global leaders in its field. Viscom inspection systems are used in nearly all sectors of the electronics industry.*

### GENERAL BUSINESS PERFORMANCE

All signs are indicating that Viscom has left the crisis behind. In financial year 2010, the Company managed to return to its success path, with a spring in its step and the right strategy. And this positive development continued in the first quarter of 2011. Viscom customers were increasingly willing to invest again, especially in the automotive supplier industry, which added to the positive result.

In the first quarter of 2011, all regions contributed to the Company's positive total earnings and consequently the rise in revenue. The European market remains the bedrock of the Company. The Asian market is booming and filling Viscom's order books. This development is supported by the excellent market position of automotive and electronics equipment producers. The Americas region has also been emitting positive signals again since the beginning of 2011.

Production volumes are covering capacities for the coming three months. The Company is processing the current high order backlog with its core workforce as well as temporary staff.

By outsourcing module production steps to suppliers, Viscom AG is much more flexible and is able to optimise production processes without compromising quality. The Company's dependence on individual suppliers was also reduced by entering into agreements with additional suppliers.

Improvements to the general economic environment have led to the number of incoming orders in the first quarter of 2011 rising by around 52 % year-on-year, a very positive development indeed.

### NET ASSETS AND FINANCIAL POSITION

Viscom was able to significantly improve its net assets, financial position and results of operations in the first quarter of 2011 on account of the extremely high order backlog.

Consolidated revenue in the first quarter of 2011 came to € 13,175 thousand, 2.6 times up year-on-year (previous year: € 5,102 thousand). Earnings before interest and taxes (EBIT) were € 2,915 thousand, a definite improvement on the previous year's figure of € -1,569 thousand. This corresponds to an EBIT margin of 22.1 %. The positive result was positively impacted by one-off effects such as € 206 thousand from the recognition of company-produced assets and € 629 thousand from the write-up of slow movers. Adjusted for these one-off effects, EBIT amounted to € 2,080 thousand and the adjusted EBIT margin to 15.8 %.

In the first three months of 2011, customers placed € 11,921 thousand in orders with Viscom Group. Incoming orders were therefore clearly up on the comparable period (previous year: € 7,829 thousand). Order backlog at the end of the first quarter of 2011 came to € 11,758 thousand (previous year: € 7,983 thousand).

Viscom AG had an equity ratio of 86.6 % at the end of the first quarter of 2011. This once again makes for a very positive equity base (31 March 2010: 87.8 %). The equity ratio dropped by 1.2 percentage points due to total assets being higher in the previous year.

### OUTLOOK

Above all else, Viscom AG excels with its technological leadership. The Company is investing in research and development to maintain this status. One of the major projects was and is the development of new operating and application software for all Viscom inspection systems, providing for intuitive operation of inspection systems via touch screen. The user-friendly plant operating interface "vVision" will be delivered for the first time in summer 2011. Other innovative and forward-looking developments such as the 3D paste printing inspection system are underway.

A sustainable increase in efficiency and a streamlined structure are the foundation for increasing results as planned in 2011. The stronger markets and companies are also generating a very positive economic trend that will provide the Company with further growth perspectives in 2011. Viscom still expects to achieve revenue between € 45 million to € 47 million and an EBIT margin between 10 % and 13 %. Whether or not these targets are achievable however remains dependent on the future development of the global economy and the resulting order behaviour of Viscom Group's customers.

#### PERSONNEL

The Supervisory Board of Viscom AG extended the existing contracts of Executive Board members and company founders Volker Pape and Dr. Martin Heuser by another five years until 17 April 2016.

Hanover, 12 May 2011

The Executive Board



Dr. Martin Heuser



Volker Pape

#### KEY FIGURES OF THE GROUP

CONSOLIDATED INCOME STATEMENT (K€)	01.01. – 31.03.2011	01.01. – 31.03.2010
Revenue	13,175	5,102
EBIT	2,915	-1,569
Financial result	226	87
Income taxes	-1,113	114
Net profit for the period	2,028	-1,368
Earnings per share	0.22 €	-0.15 €
Number of employees at end of period	261	264

CONSOLIDATED BALANCE (K€)	31.03.2011	31.12.2010
<b>ASSETS</b>		
Current assets	49,941	51,120
Non-current assets	14,397	11,073
thereof: financial assets	6,495	3,166
Total assets	64,338	62,193
<b>LIABILITIES</b>		
Current liabilities	8,240	8,232
Non-current liabilities	370	299
Shareholders' equity	55,728	53,662
Total liabilities and shareholders' equity	64,338	62,193
Equity ratio	86.6 %	86.3 %

CONSOLIDATED CASH-FLOW STATEMENT (K€)	01.01. – 31.03.2011	01.01. – 31.12.2010
Cashflow from operating activities	1,960	4,686
Cashflow from investing activities	-3,658	-4,394
Cashflow from financing activities	241	-6
End of period capital	24,410	25,905

#### SEGMENT INFORMATION

KEY FIGURES (K€)	01.01. – 31.03.2011	01.01. – 31.03.2010
<b>EUROPE</b>		
Revenue	10,399	3,805
EBIT	2,606	-1,223
<b>ASIA</b>		
Revenue	1,244	907
EBIT	49	-148
<b>AMERICAS</b>		
Revenue	1,532	390
EBIT	260	-198

*Any forecasts, expectations or forward-looking statements included in this report may carry risks and uncertainties. We therefore cannot guarantee that these assumptions will turn out to be correct. Actual results and developments may vary significantly from the forecasts and assumptions made in this report. Factors that may lead to such deviations include changes to the general economic development and competitive position, exchange rate and interest rate fluctuations as well as amendments to national and international laws. The Company does not assume any obligation for updating the statements contained in this report.*



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