

FOR IMMEDIATE RELEASE: on Monday 11 January 2010

## Visonic Limited (“Visonic” or the “Company”)

### PROPOSED CANCELLATION OF LISTING OF THE SHARES ON THE OFFICIAL LIST AND THE TRADING OF THE SHARES ON THE MAIN MARKET OF LONDON STOCK EXCHANGE

The Company today announces its intention to seek the cancellation of listing of its Shares on the Official List and the trading of its Shares on the main market of the London Stock Exchange as well as proposed amendments to the Company’s Articles of Association. The Directors of the Company wish to announce that it has today posted a circular to Shareholders, incorporating a notice convening a General Meeting of the Company which shall be held at 12:00 noon (UK time) on 4 February 2010.

It is anticipated that the last day of trading in the Shares on the London Stock Exchange’s main market for listed securities will be 4 March 2010, with cancellation of listing on the Official List taking effect at 8.00 a.m. (UK time) on 5 March 2010, being not less than 20 Business Days following the passing of the Delisting Resolution as required by the UK Listing Rules.

Following the Delisting, if approved by Shareholders, Visonic will continue to be listed on the Tel-Aviv Stock Exchange and maintain its IL Principal Register as the principal register. Shareholders will be able to continue trading their Shares on the Tel-Aviv Stock Exchange subject, in the case of Shares registered on the UK Branch Register, to the transfer of their Shares to the IL Principal Register.

The Circular, together with other documents, will shortly be available from the Company’s website at [www.visonic.com/news-media](http://www.visonic.com/news-media).

Terms defined in this announcement shall have the same meaning as in the Circular to Shareholders dated today, unless otherwise stated.

Visonic has also today announced a trading update.

For further information please contact;

**Visonic Limited**

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[www.visonic.com](http://www.visonic.com)

The letter to Shareholders and to holders of depositary receipts is set out in full below:

## 1. INTRODUCTION

The Company has today announced its intention to seek the cancellation of listing of its Shares on the Official List and the trading of its Shares on the main market of the London Stock Exchange, and has also today announced a trading update.

Under the UK Listing Rules, the Delisting is conditional upon Shareholders' approval being obtained. The Shares will continue to trade on the Tel-Aviv Stock Exchange after the Delisting takes effect. Accordingly, the purpose of this Circular is to provide Shareholders with information on the proposed Delisting and the reasoning behind it and to seek the requisite approval of the Delisting at a General Meeting of the Company, notice of which is set out on page 7 of this Circular, and which shall be held at 12:00 noon on 4 February 2010.

## 2. BACKGROUND TO AND REASONS FOR THE DELISTING

As previously announced by the Company, since February 2009, the percentage of Shares of the Company in public hands has fallen below the 25 per cent. threshold required by LR 6.1.19R of the UK Listing Rules. This resulted in the non-compliance by the Company with the UK Listing Rules (LR 9.2.15R). Since then, the Company has been trying to find a way to remedy such non-compliance, but with no success.

Under the UK Listing Rules, the Financial Services Authority may cancel the listing of securities where it appears to the Financial Services Authority that the Company no longer satisfies its continuing obligations for listing (including the requirement set out in LR 6.1.19R). Therefore, as the Company considers the Delisting unavoidable, your Board unanimously recommends that the Company seeks the Delisting and has resolved to convene the General Meeting, a notice of which is set out on page 7 of this Circular.

**It is anticipated that the last day of trading in the Shares on the London Stock Exchange's main market for listed securities will be 4 March 2010, with cancellation of listing on the Official List taking effect at 8.00 a.m. on 5 March 2010, being not less than 20 Business Days following the passing of the Delisting Resolution as required by the UK Listing Rules.**

The Company will continue to maintain its listing and to be traded on the Tel-Aviv Stock Exchange.

## 3. IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS AND RISK FACTORS

Conditional upon the Delisting Resolution being approved by the Shareholders, the Company will give notice of its intention to cancel the listing of the Shares on the Official List and the trading of the Shares on the main market of the London Stock Exchange. Following Delisting, the Company will no longer be subject to the UK Listing Rules as well as any other rules and regulations applying to companies with securities listed on the Official List and traded on the main market of the London Stock Exchange and Shareholders will no longer be entitled to the rights and protections under such rules and regulations.



The Company will, however, continue to be listed on the Tel-Aviv Stock Exchange and maintain its IL Principal Register as the principal register and Shareholders will be able to continue trading their Shares on the Tel-Aviv Stock Exchange subject, in the case of Shares registered on the UK Branch Register, to the transfer of their Shares to the IL Principal Register. There will be no facility to trade shares on the London Stock Exchange following the Delisting and those Shareholders who may be affected should contact their stockbroker for further information as to how to trade on the Tel-Aviv Stock Exchange. Additionally, the Company is in discussions with an authorised Israeli broker for the purpose of providing brokerage account facilities for Shareholders, should they so wish; details of this facility will be made available in due course and will be available, once formalised, from the Company's website at [www.visonic.com](http://www.visonic.com). The Company's prevailing share price (in New Israeli Shekels) may be accessed from the Tel-Aviv Stock Exchange website at [www.tase.co.il](http://www.tase.co.il). Shareholders should check with their tax advisers regarding any tax implications relating to their particular situation. Section 5 below sets out details on the removal of Shares which are currently registered with Computershare. Shareholders who do not have any Shares registered with Computershare are not required to take any action with respect to the removal of Shares and section 5 below is for your information only.

Shareholders' voting rights and entitlement to dividends will not be affected by the Delisting.

All Shareholders are entitled to vote on the Resolutions. If the Resolutions are approved by Shareholders at the General Meeting, the Company will make the required announcements to the London Stock Exchange and the Tel-Aviv Stock Exchange.

#### 4. GENERAL MEETING

In order to cancel the listing of the Shares on the Official List, the UK Listing Rules requires the Delisting Resolution to be approved by 75 per cent. of votes cast by Shareholders voting at the General Meeting, in person or by proxy.

The Resolution to amend the Articles of Association relates to the amendment of certain specific UK related clauses which will become irrelevant if the Delisting Resolution is approved by the Shareholders at the General Meeting, since the Company's Shares will only be listed on the Tel-Aviv Stock Exchange. The Resolution to amend the Articles of Association, which is conditional upon approval of the Delisting Resolution, also requires the approval by 75 per cent. of votes cast by Shareholders voting at the General Meeting, in person or by proxy.

The proposed amendments to the Articles of Association are set out below:

- **Clause 1: "Definitions"**, the definition of "London Stock Exchange" and "United Kingdom" will be omitted<sup>4</sup>
- **Clause 28: "Sale Shares of Untraced Members"**,
  - In sub-clause 28.1, the word: " London" will be omitted.
  - In sub-clause 28.1.5, the words: "in English in a national newspaper widely available in the United Kingdom" will be omitted.
- **Clause 30: "Right to Suspend Posting of Notices, Etc"**, the words: "or the United Kingdom" will be omitted.
- **Clause 33: "Convening a General Meeting"**
  - In sub-clause 33.1, the words: "in the United Kingdom" will be omitted.



- In sub-clause 33.3, the following paragraph will be omitted: "provided that, for so long as a majority in number of the Shareholders are persons whose registered addresses are in the United Kingdom or for so long as the shares of the Company are solely listed on the stock exchange or investment exchange in the United Kingdom and not on a stock exchange or investment exchange outside the United Kingdom, any such General Meeting shall be held within the United Kingdom".
- **Clause 34.3** (which relates to notice to shareholders), the words: "simultaneously (i) in English in one way widely available national newspaper in the United Kingdom and (ii)" will be omitted.
- **Clause 41.12.8** (which relates to the dismissal of directors), the words: "the United Kingdom" will be omitted.

The above-mentioned clauses in the Articles of Association, including the proposed amendments to the Articles of Association will be available for inspection at the offices of Hudson Sandler, 29 Cloth Fair, London EC1A 7NN England, and at the registered offices of the Company, 24, Habarzel St., Tel-Aviv, Israel, and at the Company's web-site at: [www.visonic.com/news-media](http://www.visonic.com/news-media), from the date of this document until the close of the General Meeting. A notice convening the General Meeting, at which the Delisting will be proposed, is set out on page 7 of this document.

## 5. REMOVAL OF THE UK BRANCH REGISTER

*(in relation only to Shareholders on the UK Branch Register or holders of depository interests)*

It is the intention of the Company, upon the approval of the Delisting by Shareholders, to close the UK Branch Register and to terminate the depository interest facility created under the Deed Poll dated 25 March 2004. Each Shareholder who holds Shares that are registered with Computershare on the UK Branch Register will be entitled, upon transfer of their Shares to the IL Principal Register, to receive one share certificate representing such Shares, which shall be despatched by the Israeli Share Registrar to the relevant Shareholders by ordinary mail, at the risk of the Shareholder, to the address appearing on the records of Computershare. Holders of depository interests will be contacted following approval of the Delisting, by mail, by Computershare with details of the process arranged by the Company for removal and transfer of Shares to the IL Principal Register.

The IL Principal Register will be wholly held in Israel and maintained by the Israeli Share Registrar, Hevra Lerishumim Shel Bank Leumi Le Israel in Tel-Aviv, in respect of all the Shares in the Company. Following closure of the UK Branch Register all Shareholders shall receive dividends, if declared, in Israeli Shekels.

It is expected that the depository interest facility will terminate on or around 12 March 2010 and that the UK Branch Register will close on or around 26 March 2010.

Shareholders who have any queries as to the procedures governing the transfer of Shares to the IL Principal Register and the issue of new share certificates may contact the registrars or the Company using the contact details on the next page, for further information.



### **Israeli Share Registrar**

Hevra Lerishumim Shel Bank Leumi Le Israel  
4, Lilinblum st.  
Tel-Aviv  
Israel  
Tel: (972) 3 5147989  
Fax: (972) 3 5147281

### **Company Secretary**

Akiva Laxer, Advocate  
111, Arlozerov st.  
Tel: (972) 3 6963263  
Fax: (972) 3 6963933  
Email: [office@laxerlaw.co.il](mailto:office@laxerlaw.co.il)

### **UK Branch Share Registrar**

Computershare Investors Services PLC  
The Pavilions, Bridgwater Road, Bristol BS13 8AE, UK  
Tel: (44) 870 703 0300  
Fax: (44) 870 889 3120  
Email: [John.gorski@computershare.co.uk](mailto:John.gorski@computershare.co.uk)

## **6. ACTION TO BE TAKEN**

**If you are a Shareholder** you will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy (in accordance with the instructions set out in that document) to Computershare as soon as possible and in any event so as to be received by them by no later than 12:00 noon on Tuesday, 2 February 2010 (UK time). Completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish.

**If you are a holder of depository interests representing Shares** you will find enclosed with this Circular a Form of Instruction in relation to the General Meeting. Please complete and return the Form of Instruction (in accordance with the instructions set out in that document) to Computershare as soon as possible and in any event so as to be received by them no later than 12:00 noon (UK time) on Monday, 1 February 2010. Completion and return of a Form of Instruction will not prevent you from attending the General Meeting and voting in person, if you so wish. Should the holder, or a representative of that holder wish to attend the meeting and or vote at the meeting, they must notify Computershare in writing or email to [lukallditeam2@computershare.co.uk](mailto:lukallditeam2@computershare.co.uk).



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## 7. BOARD RECOMMENDATION

The Board considers that in light of the circumstances described above the proposed Delisting is in the best interest of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommend that the Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings of, in aggregate, 29,846,629 Shares, representing 71.73 per cent. of the Company's issued ordinary share capital.

Yours faithfully

For and on behalf of

**Visonic Limited**

*Yaacov Kotlicki, Chairman*

This announcement contains certain forward-looking statements within the meaning of Israeli applicable law relating to future events or our future performance, such as statements regarding trends, demand for our products and expected revenues, operating results and earnings.

Such forward-looking statements usually contain language such as "believe", "estimate" and the like.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied in those forward-looking statements.

These risks and other factors include but are not limited to: changes affecting currency exchange rate, including the New Israeli Shekel /US Dollar and the New Israeli Shekel/EURO exchange rate; payment default by any of our major clients; the loss of one or more of our key personnel; changes in laws and regulations, including those relating to the electronic security (alarms) industry and the home management industry and inability to meet and maintain regulatory qualifications and approvals for our products; termination of arrangements with our suppliers; loss of one or more of our principal clients; increasing levels of competition in markets in which we do business; changes in economic conditions in Israel, including in particular economic conditions in the Company's core markets; our inability to predict accurately consumption of our products; and risks associated with product liability claims.

We cannot guarantee future results, levels of activity, performance or achievements. We do not assume any obligation to update the forward-looking information contained in this announcement.



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