

**DATE: Embargoed until 07.00am, Tuesday 30 January 2007**

## **Visonic**

### **Trading Update**

Visonic (LSE: VSC.L; TASE: VSC.TA), the international developer and manufacturer of electronic security systems (alarms) and home management systems, announces the following trading update:

Group turnover for the year to 31 December 2006 was in line with market expectations. Continuing the trends reported at the Interim Results in September, the core business of Security and Home Management (which includes Home Healthcare solutions) saw good sales growth, while Location Tracking Systems (which largely comprises Visonic Technologies ("VT") Real Time Location Systems) continued to be disappointing. Overall, sales by the core business in the second half of 2006 were 11% higher than in the corresponding period of 2005 and total sales grew by 8% in the same period.

Although VT's performance in 2006 was unsatisfactory, the improvement in deliveries that was visible towards the year end encourages the Board to expect a better performance from this business segment in FY 2007.

It is expected that in the year to December 2006, the Group will benefit from a significant reduction in the tax rate and net profit after tax will be higher than that of 2005. Group pre-tax profit will, however, show a decline on the previous year. This reduction is the result of the combined impact of a shortfall in sales at VT, a strategic decision to increase the investment in R&D across the Group and some margin pressure arising from the revaluation of the Israeli shekel against the US dollar.

The Board confirms its intention to recommend the payment of a maiden dividend for FY 2006.

#### **Commenting, Mr Yaacov Kotlicki, Chairman of Visonic, said:**

"The results for 2006 are disappointing and below expectations. However, our core business of Security and Home Management continues to make good progress and we are particularly encouraged by the volume of sales leads that we are currently pursuing. Sales by our core business in the second half of 2006 were 11% higher than in the corresponding period of 2005. Total sales grew by 8% in the same period. Our active investment programme in R&D continues in order to position the company for growth opportunities."

"The Board remains confident of the Group's strategy and its prospects, as indicated by the proposal to recommend the payment of a maiden dividend for 2006."

The Group intends to announce its Preliminary Results on 21 March 2007.

**For further information please contact:**

Dr Avi Shachrai (President & CEO)

Yair Naaman (CFO)

**Visonic**

**Tel:** + 972 3 645 6700

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

Alistair Mackinnon-Musson

Nicola Savage

**Hudson Sandler**

**Tel:** + 44 (0)20 7796 4133

**Email:** [visonic@hspr.com](mailto:visonic@hspr.com)