

**DATE: Thursday, July 19, 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:

Visonic's revenues in the first half of 2007 (to 30 June) showed a strong 13% increase to \$37.1 million over the \$32.7 million achieved in the first half of last year.

The Group's core business of electronic security, home management systems and home health care achieved sales growth of almost 15%. This result reflects the success of Visonic's strategy of building sales by developing new channels, the introduction of sophisticated new products such as the PowerMax Pro and also the elimination of production and delivery problems suffered last year.

A number of adverse factors continued to maintain pressure on Visonic's margins in the first half. While the balance sheet remains strong, and the company has traded profitably, the net income for the first half of 2007 is well below the Board's budgeted expectations.

About half of the shortfall against our budgeted figures relates to continued adverse currency movements and a slower than expected recovery at VT. In addition, some price erosion was suffered in the core business and we increased our investment in sales and marketing activities and the R&D essential to maintain Visonic's market-leading position in wireless technologies.

#### **Commenting, Dr. Avi Shachrai, CEO and President of Visonic, said:**

"While we are encouraged by the sales increase in the first half, we are disappointed that the pressure on margins experienced in the latter part of last year has continued. In order to restore the Group's prospects for the future, the Board intends to implement substantial cost reductions while continuing to develop market opportunities."

#### **Interim Results Announcement – Change of Date**

Visonic intends to announce its Interim Results for the period ended June 30, 2007 on Tuesday, September 4, 2007.

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