

**DATE: Monday, 16 June 2008**

## **Visonic**

### **Sale of VT agreed**

Visonic Limited ("Visonic") (LSE: VSC.L; TASE: VSC.TA), the international developer and manufacturer of electronic security systems (alarms) and home management systems, is pleased to announce it has signed a non-binding term sheet with an international company (the "Buyer"), for the sale of its Location Tracking Systems business, Visonic Technologies ("VT").

On 12 March 2008 the Board announced the Annual Results for 2007 and reported that it would review the future of VT, whose activities fall outside Visonic's core business of Security and Home Management. Having conducted that review, the Board considers that the said transaction represents the best option for the future development of both Visonic and VT.

It is intended that as part of the consideration, the Buyer will assume and fully release Visonic from bank guarantees for VT's borrowings and that the Buyer will repay to Visonic in instalments the net inter-company amount owed by VT to Visonic.

In addition, it has been agreed that at the closing of the transaction Visonic and VT will execute a supply agreement pursuant to which Visonic will continue to manufacture for VT certain products. This supply agreement will be valid from the transaction date, for a period of 36 months thereafter.

A binding agreement, following legal and financial due diligence by the Buyer, is expected to be negotiated and signed during the third quarter of 2008, at which point a further announcement will be made.

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

"Our core business is Security and Home Management products, predominantly aimed at the consumer and we have achieved our market leadership position by our commitment to the continuous development and launch of innovative and appealing products. In March 2008 we announced that the Board would review the performance of VT, whose activities, aimed at the institutional sector, lie outside our core business and we would look at various options for VT's future. As a result of this review we concluded that the divestment of VT would allow us to focus our efforts even more strongly on the residential market where our highly advanced wireless technologies offer home owners security and peace of mind."

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#### **For further information please contact:**

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