Visonic

Settlement Re: Credit Suisse

Return of Visonic's monies in full

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 will shortly have returned to it 100% of the Visonic monies previously invested by Credit Suisse Securities (USA) LLC (“Credit Suisse”), being $3.2 million in cash, that subsequently became the subject of a dispute between Visonic and Credit Suisse.

To date Visonic has already received $2.6 million and was advised by Credit Suisse that it will receive the balance of $600,000 on 5 November 2008.

The financial effects of Visonic receiving the $3.2 million back will be to increase Visonic’s cash balances by $3.2 million and to increase Visonic’s pre tax profit by $1.5 million in the year ending 31 December 2008.

The complete return of Visonic’s money follows the announcement by the North American Securities Administration Association on September 16, 2008 of a settlement between Credit Suisse and various state securities regulators, including the Attorney general of the State of New York, relating to auction rate securities.

Dr. Avigdor Shachrai, President and CEO, commented:

"The return of our money in full is a great result for Visonic and it enhances our already strong balance sheet and cash position. It also concludes our dispute with Credit Suisse and brings the matter to a very satisfactory close".

This report 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 implied in those forward-looking statements.

These risks and other factors include but are not limited to: changes affecting currency exchange rate, including the NIS/US Dollar and the NIS/EURO exchange rate; payment default by any of our major clients; the loss of one of 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 report.

– ENDS –
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