



**Embargoed until 7:00AM, Thursday, 30 October 2008**

## **Visonic**

### **INTERIM MANAGEMENT STATEMENT FOR THE THIRD QUARTER OF 2008**

Visonic (LSE: VSC.L; TASE: VSC.TA), the international developer and manufacturer of electronic security systems (alarms) and home management systems, announces its Interim Management Statement in accordance with the UK Listing Authority's Disclosure and Transparency Rules, covering the period from 1 July 2008 to 30 September 2008.

The Board is pleased to report the positive trend in both sales and profits, as stated in Visonic's Interim Results for the half year ended 30 June 2008, has continued into the third quarter of 2008.

Sales for the third quarter of 2008 were up 26% at US\$22.4 million, in comparison with the third quarter of the previous year. Sales during the first three quarters of 2008 were up 23% at US\$67.2 million when compared with the first three quarters of 2007.

Sales have increased across all major geographic markets and across all Visonic product lines – Alarms, Home Management, Home Healthcare and at Visonic Technologies. Visonic is also successfully increasing its sales by developing new channels to market and by supplying new products to its existing customer base.

During the third quarter Visonic invested approximately US\$1.5 million in new equipment for its plant in Kiryat-Gat to meet this growing demand, while also reducing sub-contracting costs.

As stated in the August 2008 Interim Announcement, Visonic's flagship product the PowerMax security system, remains the main driver for increased sales. Growing demand for Visonic's premium security products and supply contracts with some of the world's leading security companies have underpinned the positive figures for the third quarter.

As previously announced on 27 October 2008, Visonic has already received from Credit Suisse Securities (USA) LLC the sum of \$2.6 million in cash and been advised that it will also receive a further \$600,000 in cash on 5 November 2008, in settlement of a dispute between Visonic and Credit Suisse. The settlement, the terms of which the Board views very positively, represents the complete return of Visonic's money that was invested by the bank, will increase Visonic's cash balances by \$3.2 million and Visonic's pre tax profit by \$1.5 million in the year ending 31 December 2008.

Although the Board remains optimistic about the financial result for the year to 31 December 2008, it is generally more cautious about trading in FY 2009, given the current international economic environment. As a 'just in time' manufacturer, Visonic does not operate an order book system and therefore its future sales visibility is always

limited, as is its ability to predict with any accuracy at this point, how FY 2009 may evolve.

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

"I am delighted to report such a strong uplift in sales in the third quarter of 2008 and to see the positive trend from the first half continuing. The fact we have increased sales of new and existing products from each business division to our leading customers and through our mass market channels is particularly pleasing and endorses our business strategy".

"The return in full of our money by Credit Suisse enhances our already strong balance sheet and cash position and further strengthens our confidence in the future".

**- ENDS -**

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.

**For further information please contact:**

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