

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are resident in the United Kingdom (or, if you are not resident in the United Kingdom, from an authorised independent financial adviser in your jurisdiction) who specialises in advising on the acquisition of shares and other securities.

If you have sold or otherwise transferred all your Shares in the Company, please forward this Circular and the accompanying Form of Proxy (or, if you are holders of depository interests in the Company, the Form of Instruction) at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



VISONIC LIMITED

(incorporated in Israel with limited liability under company no: 51-063761-4)
(ISIN: IL0010898463 LSE: VSC)

PROPOSED CANCELLATION OF LISTING ON THE OFFICIAL LIST AND OF TRADING ON THE MAIN MARKET OF LONDON STOCK EXCHANGE

NOTICE OF GENERAL MEETING

This Circular should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 3 to 6 of this Circular and in which the Board recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

A notice convening the General Meeting be held at the offices of Hudson Sandler, 29 Cloth Fair, London EC1A 7NN England at 12:00 noon (UK time) on Thursday, 4 February 2010 is set out on page 8 of this Circular.

If you are a Shareholder, whether or not you intend to be present at the General Meeting, you are requested to complete and return the enclosed Form of Proxy duly and completed signed by you (unless you are a holder of depository interests in the Company, in which case you will receive a Form of Instruction) as soon as possible but, in any event, so as to be received by the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, United Kingdom, by no later than 12:00 noon (UK time) on Tuesday, 2 February 2010 (or, in the case of a Form of Instruction, by no later than 12:00 noon (UK time) on Monday 1 February 2010). Completion and return of the applicable Form of Proxy or Instruction shall not preclude you from attending and voting at the General Meeting or any adjourned meeting should you so desire.

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EXPECTED TIMETABLE OF EVENTS

The expected timetable in relation to the Delisting is as follows:

Date of this Circular	11 January 2010
Last date and time for receipt of Forms of Instruction for the General Meeting	Monday, 12.00 noon on 1 February 2010 (UK time)
Last date and time for receipt of Forms of Proxy for the General Meeting	Tuesday, 12.00 noon on 2 February 2010 (UK time)
Date and time of the General Meeting	Thursday, 12.00 noon on 4 February 2010 (UK time)
Expected last day of dealings of the Shares on the Official List	Thursday, 4 March 2010
Expected date and time of Delisting	Friday, 8.00 a.m. on 5 March 2010

All times in this document are made in local UK time, unless otherwise stated.

LETTER FROM THE CHAIRMAN



VISONIC LIMITED

(incorporated in Israel with limited liability under company no: 51-063761-4)

(ISIN: IL0010898463 LSE: VSC)

Executive Directors:

Yaacov Kotlicki
Yair Naaman

Registered Office:
24, Habarzel st. Tel-Aviv
Israel

Independent Non-Executive Directors:

Walter Goldsmith
Anthony McCann
Bat Sheva Levi
Savion Elie

*To Shareholders and holders of depository interests and, for information only,
the holders of share options*

11 January 2010

PROPOSED CANCELLATION OF LISTING OF THE SHARES ON THE OFFICIAL LIST AND THE TRADING OF THE SHARES ON THE MAIN MARKET OF LONDON STOCK EXCHANGE

1. INTRODUCTION

The Company has today announced its intention to seek the cancellation of listing of its Shares on the Official List and the trading of its Shares on the main market of the London Stock Exchange, and has also today announced a trading update.

Under the UK Listing Rules, the Delisting is conditional upon Shareholders' approval being obtained. The Shares will continue to trade on the Tel-Aviv Stock Exchange after the Delisting takes effect. Accordingly, the purpose of this Circular is to provide Shareholders with information on the proposed Delisting and the reasoning behind it and to seek the requisite approval of the Delisting at a General Meeting of the Company, notice of which is set out on page 7 of this Circular, and which shall be held at 12:00 noon on 4 February 2010.

2. BACKGROUND TO AND REASONS FOR THE DELISTING

As previously announced by the Company, since February 2009, the percentage of Shares of the Company in public hands has fallen below the 25 per cent. threshold required by LR 6.1.19R of the UK Listing Rules. This resulted in the non-compliance by the Company with the UK Listing Rules (LR 9.2.15R). Since then, the Company has been trying to find a way to remedy such non-compliance, but with no success.

Under the UK Listing Rules, the Financial Services Authority may cancel the listing of securities where it appears to the Financial Services Authority that the Company no longer satisfies its continuing obligations for listing (including the requirement set out in LR 6.1.19R). Therefore, as the Company considers the Delisting unavoidable, your Board unanimously recommends that the Company seeks the Delisting and has resolved to convene the General Meeting, a notice of which is set out on page 7 of this

Circular.

It is anticipated that the last day of trading in the Shares on the London Stock Exchange's main market for listed securities will be 4 March 2010, with cancellation of listing on the Official List taking effect at 8.00 a.m. on 5 March 2010, being not less than 20 Business Days following the passing of the Delisting Resolution as required by the UK Listing Rules.

The Company will continue to maintain its listing and to be traded on the Tel-Aviv Stock Exchange.

3. IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS AND RISK FACTORS

Conditional upon the Delisting Resolution being approved by the Shareholders, the Company will give notice of its intention to cancel the listing of the Shares on the Official List and the trading of the Shares on the main market of the London Stock Exchange. Following Delisting, the Company will no longer be subject to the UK Listing Rules as well as any other rules and regulations applying to companies with securities listed on the Official List and traded on the main market of the London Stock Exchange and Shareholders will no longer be entitled to the rights and protections under such rules and regulations.

The Company will, however, continue to be listed on the Tel-Aviv Stock Exchange and maintain its IL Principal Register as the principal register and Shareholders will be able to continue trading their Shares on the Tel-Aviv Stock Exchange subject, in the case of Shares registered on the UK Branch Register, to the transfer of their Shares to the IL Principal Register. There will be no facility to trade shares on the London Stock Exchange following the Delisting and those Shareholders who may be affected should contact their stockbroker for further information as to how to trade on the Tel-Aviv Stock Exchange. Additionally, the Company is in discussions with an authorised Israeli broker for the purpose of providing brokerage account facilities for Shareholders, should they so wish; details of this facility will be made available in due course and will be available, once formalised, from the Company's website at www.visonic.com. The Company's prevailing share price (in New Israeli Shekels) may be accessed from the Tel-Aviv Stock Exchange website at www.tase.co.il. Shareholders should check with their tax advisers regarding any tax implications relating to their particular situation. Section 5 below sets out details on the removal of Shares which are currently registered with Computershare. Shareholders who do not have any Shares registered with Computershare are not required to take any action with respect to the removal of Shares and section 5 below is for your information only.

Shareholders' voting rights and entitlement to dividends will not be affected by the Delisting.

All Shareholders are entitled to vote on the Resolutions. If the Resolutions are approved by Shareholders at the General Meeting, the Company will make the required announcements to the London Stock Exchange and the Tel-Aviv Stock Exchange.

4. GENERAL MEETING

In order to cancel the listing of the Shares on the Official List, the UK Listing Rules requires the Delisting Resolution to be approved by 75 per cent. of votes cast by Shareholders voting at the General Meeting, in person or by proxy.

The Resolution to amend the Articles of Association relates to the amendment of certain specific UK related clauses which will become irrelevant if the Delisting Resolution is approved by the Shareholders at the General Meeting, since the Company's Shares will only be listed on the Tel-Aviv Stock Exchange. The Resolution to amend the Articles of Association, which is conditional upon approval of the Delisting Resolution, also requires the approval by 75 per cent. of votes cast by Shareholders voting at the General Meeting, in person or by proxy.

The proposed amendments to the Articles of Association are set out below:

- **Clause 1: "Definitions"**, the definition of "London Stock Exchange" and "United Kingdom" will be omitted
- **Clause 28: "Sale Shares of Untraced Members"**,
 - In sub-clause 28.1, the word: " London" will be omitted.
 - In sub-clause 28.1.5, the words: "in English in a national newspaper widely available in the United Kingdom" will be omitted.
- **Clause 30: "Right to Suspend Posting of Notices, Etc"**, the words: "or the United Kingdom" will be omitted.
- **Clause 33: "Convening a General Meeting"**
 - In sub-clause 33.1, the words: "in the United Kingdom" will be omitted.
 - In sub-clause 33.3, the following paragraph will be omitted: "provided that , for so long as a majority in number of the Shareholders are persons whose registered addresses are in the United Kingdom or for so long as the shares of the Company are solely listed on the stock exchange or investment exchange in the United Kingdom and not on a stock exchange or investment exchange outside the United Kingdom, any such General Meeting shall be held within the United Kingdom".
- **Clause 34.3** (which relates to notice to shareholders), the words: "simultaneously (i) in English in one way widely available national newspaper in the United Kingdom and (ii)" will be omitted.
- **Clause 41.12.8** (which relates to the dismissal of directors), the words: "the United Kingdom" will be omitted.

The above-mentioned clauses in the Articles of Association, including the proposed amendments to the Articles of Association will be available for inspection at the offices of Hudson Sandler, 29 Cloth Fair, London EC1A 7NN England, and at the registered offices of the Company, 24, Habarzel St., Tel-Aviv, Israel, and at the Company's web-site at: www.visonic.com/news-media, from the date of this document until the close of the General Meeting. A notice convening the General Meeting, at which the Delisting will be proposed, is set out on page 7 of this document.

5. REMOVAL OF THE UK BRANCH REGISTER

(in relation only to Shareholders on the UK Branch Register or holders of depository interests)

It is the intention of the Company, upon the approval of the Delisting by Shareholders, to close the UK Branch Register and to terminate the depository interest facility created under the Deed Poll dated 25 March 2004. Each Shareholder who holds Shares that are registered with Computershare on the UK Branch Register will be entitled, upon transfer of their Shares to the IL Principal Register, to receive one share certificate representing such Shares, which shall be despatched by the Israeli Share Registrar to the relevant Shareholders by ordinary mail, at the risk of the Shareholder, to the address appearing on the records of Computershare.

Holders of depository interests will be contacted following approval of the Delisting, by mail, by Computershare with details of the process arranged by the Company for removal and transfer of Shares to the IL Principal Register.

The IL Principal Register will be wholly held in Israel and maintained by the Israeli Share Registrar, Hevra Lerishumim Shel Bank Leumi Le Israel in Tel-Aviv, in respect of all the Shares in the Company. Following closure of the UK Branch Register all Shareholders shall receive dividends, if declared, in Israeli Shekels.

It is expected that the depository interest facility will terminate on or around 12 March 2010 and that the UK Branch Register will close on or around 26 March 2010.

Shareholders who have any queries as to the procedures governing the transfer of Shares to the IL Principal Register and the issue of new share certificates may contact the registrars or the Company using the contact details on the next page, for further information.

Israeli Share Registrar

Hevra Lerishumim Shel Bank Leumi Le Israel
4, Lilinblum st.
Tel-Aviv
Israel
Tel: (972) 3 5147989
Fax: (972) 3 5147281

Company Secretary

Akiva Laxer, Advocate
111, Arlozerov st.
Tel: (972) 3 6963263
Fax: (972) 3 6963933
Email: office@laxerlaw.co.il

UK Branch Share Registrar

Computershare Investors Services PLC
The Pavilions, Bridgwater Road, Bristol BS13 8AE, UK
Tel: (44) 870 703 0300
Fax: (44) 870 889 3120
Email: John.gorski@computershare.co.uk

6. ACTION TO BE TAKEN

If you are a Shareholder you will find enclosed with this Circular a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete, sign and return the Form of Proxy (in accordance with the instructions set out in that document) to Computershare as soon as possible and in any event so as to be received by them by no later than 12:00 noon on Tuesday, 2 February 2010 (UK time). Completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish.

If you are a holder of depository interests representing Shares you will find enclosed with this Circular a Form of Instruction in relation to the General Meeting. Please complete and return the Form of Instruction (in accordance with the instructions set out in that document) to Computershare as soon as possible and in any event so as to be received by them no later than 12:00 noon (UK time) on Monday, 1 February 2010. Completion and return of a Form of Instruction will not prevent you from attending the General Meeting and voting in person, if you so wish. Should the holder, or a representative of that holder wish to attend the meeting and or vote at the meeting, they must notify Computershare in writing or email to lukallditeam2@computershare.co.uk.

7. BOARD RECOMMENDATION

The Board considers that in light of the circumstances described above the proposed Delisting is in the best interest of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommend that the Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as they intend to do so in respect of their own beneficial holdings of, in aggregate, 29,846,629 Shares, representing 71.73 per cent. of the Company's issued ordinary share capital.

Yours faithfully

For and on behalf of
Visonic Limited
Yaacov Kotlicki, Chairman

NOTICE OF GENERAL MEETING



VISONIC LIMITED

(incorporated in Israel with limited liability under company no: 51-063761-4)

(ISIN: IL0010898463 LSE: VSC)

NOTICE IS HEREBY GIVEN that a general meeting of Visonic Limited (the “**Company**”) will be held at the offices of Hudson Sandler, 29 Cloth Fair, London EC1A 7NN England. on 4 February 2010 at 12:00 noon (UK time) for the purpose of considering and, if thought fit, passing the following resolutions:

1. DELISTING RESOLUTION

THAT the proposed cancellation of the listing of the ordinary shares of NIS0.002 each (the “**Shares**”) in the capital of Visonic Limited on the Official List of the UK Listing Authority and the trading of the Shares on the main market of the London Stock Exchange plc be and is hereby approved (the “**Cancellation**”) and that any director or the secretary of the Company be and is hereby authorised to cause such Cancellation to be effected.

2. RESOLUTION TO AMEND THE ARTICLES OF ASSOCIATION

THAT, conditional upon Shareholder approval of the Delisting Resolution set out above, the following proposed amendments to the provisions in the Articles of Association, which relate to the UK, be and are hereby approved and that any director or the secretary of the Company be and is hereby authorised to cause such amendment to be effected:

- **Clause 1: "Definitions"**, the definition of "London Stock Exchange" and "United Kingdom" will be omitted
- **Clause 28: "Sale Shares of Untraced Members"**
 - In sub-clause 28.1, the word: "London" will be omitted.
 - In sub-clause 28.1.5, the words: "in English in a national newspaper widely available in the United Kingdom" will be omitted.
- **Clause 30: "Right to Suspend Posting of Notices, Etc"**, the words: "or the United Kingdom" will be omitted.
- **Clause 33: "Convening a General Meeting"**:
 - In sub-clause 33.1, the words: "in the United Kingdom" will be omitted.
 - In sub-clause 33.3, the following paragraph will be omitted: "provided that, for so long as a majority in number of the Shareholders are persons whose registered addresses are in the United Kingdom or for so long as the shares of the Company are solely listed on the stock exchange or investment exchange in the United Kingdom and not on a stock exchange or investment exchange outside the United Kingdom, any such General Meeting shall be held within the United Kingdom".
- **Clause 34.3** (which relates to notice to shareholders), the words: "simultaneously (i) in English in one way widely available national newspaper in the United Kingdom and (ii)" will be omitted.
- **Clause 41.12.8** (which relates to the dismissal of directors), the words: "the United Kingdom" will be omitted.

By Order of the Board
Visonic Limited
Akiva Laxer, Advocate
Company Secretary

London 11 January 2010

Notes:

1. A member who is entitled to attend and vote at this meeting may appoint one or more proxies to attend and, on a poll, vote on his or her behalf. A proxy need not be a member of the Company. A Form of Proxy is enclosed.
2. To be effective, a completed and signed Form of Proxy and any power of attorney under which it is signed (or a notarially certified copy of such power of attorney) must be lodged with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, UK, no later than 12:00 noon (UK time) on Monday, 1 February 2010. Completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting at the meeting in person.
3. In the case of holders of depository interests representing Shares in the Company, a Form of Instruction must be completed in order to appoint the Company's Registrars, Computershare Investor Services PLC, to vote on the holder's behalf at this meeting. To be effective, a completed and signed Form of Instruction and any power of attorney under which it is signed (or a notarially certified copy of such power of attorney) must be delivered to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, UK, no later than 12:00 noon (UK time) on Tuesday, 2 February 2010. Completion and return of a Form of Instruction will not preclude a Shareholder from attending and voting at the meeting in person. Should the holder, or a representative of that holder wish to attend the meeting and or vote at the meeting, they must notify Computershare in writing or email to [!lukallditeam2@computershare.co.uk](mailto:lukallditeam2@computershare.co.uk).
4. Members are entitled to attend and vote at the meeting. Pursuant to Israeli law, only those members registered in the register of members of the Company on Thursday, 28 January 2010 at 16:30 (UK time) shall be entitled to attend and vote at the meeting in respect of the numbers of Shares registered in their respective names at that time.

DEFINITIONS

In this document, the following expressions shall have the following meanings unless the context otherwise requires:

“Articles of Association”	the articles of association of the Company
“Board”	the board of Directors
“Business Day”	any day (other than Saturday, Sunday or public holiday) on which licensed banks in the UK are generally open for business throughout their normal business hours
“Cancellation”	the cancellation of the listing of the Shares on the Official List and of trading of the Shares on the London Stock Exchange’s market for listed securities
“Computershare”	the UK Branch Share Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, UK
“Circular”	this document
“Company”	Visonic Limited
“Delisting”	the cancellation of the listing of the Shares on the Official List and of trading of the Shares on the London Stock Exchange’s market for listed securities
“Delisting Resolution”	the resolution to approve the Delisting as set out in the Notice
“Directors”	the directors of the Company, whose names are set out on page 3 of this Circular
“Form of Instruction”	the form of directions for use at the General Meeting accompanying this Circular
“Form of Proxy”	the form of proxy for use at the General Meeting accompanying this Circular
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time)
“General Meeting”	the general meeting of the Company to be held at 12:00 noon (UK time) on 4 February 2010, notice of which is set out on page 7 of this Circular
“IL Principal Register”	the register of members held in Tel-Aviv by the Israeli Share Registrar
“Israeli Share Registrar”	Hevra Lerishumim Shel Bank Leumi, 4 Lilenblum Street, Tel-Aviv, Israel
“London Stock Exchange”	London Stock Exchange plc
“Notice”	notice of the General Meeting

“Official List”	the Official List of the UKLA
“Resolutions”	together, the Delisting Resolution and the Resolution to amend the Articles of Association as set out in the Notice
“Resolution to amend the Articles of Association”	the resolution to amend the Articles of Association as set out in the Notice
“Shareholders”	holders of Shares
“Shares”	the ordinary shares of NIS 0.002 each in the capital of the Company
“Tel-Aviv Stock Exchange”	Tel-Aviv Stock Exchange Ltd.
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Branch Register”	the register of members held in UK by Computershare
“UK Listing Rules”	the Listing Rules of the UK Listing Authority made under Part VI of FSMA
“UKLA”	the Financial Services Authority in the UK acting in its capacity as the competent authority for the purpose of Part VI of the FSMA