

FOR IMMEDIATE RELEASE: on Monday 11 January 2010

Visonic

Trading Update

Visonic (LSE: VSC.L; TASE: VSC.TA) ("Visonic" or the "Company"), the international developer and manufacturer of electronic security systems (alarms) and home management systems, announces the following trading update:

Sales in the second six months of the year to 31 December 2009 were US\$42.8M, up 6.2% compared to the same period in 2008. Total sales for the full twelve months to 31 December 2009 were up 0.7% to US\$85.5M, compared to 2008, despite the continued global downturn.

During 2009 the Group has benefited both from efficiency gains from measures put in place by management and from favourable exchange rates between the New Israeli Shekel and US Dollar. The Company also received one-off income totalling approximately \$4M relating to overpaid taxes in previous years, which resulted in a positive P&L impact of approximately US\$1.5M (US\$1M in operational income and US\$0.5M in financial income) during the year.

Visonic also launched new products during 2009 which address specific requirements in the market, namely the PowermaxExpress and a new outdoor detector. The introduction of these new products has proved very successful.

Visonic's improved results were achieved without reducing staff numbers or changing the Company's long term commitment to its R&D programme, both of which Visonic considers fundamental to maintaining its competitive advantage in the market and a crucial investment in the future success of the business.

Throughout 2009 Visonic had a healthy cash-flow and ended the year with net financial assets of over US\$22M, an increase of US\$15M on last year. This increase includes the receipt of overpaid taxes mentioned above - approximately US\$4M, as well as approximately US\$11M from ongoing business operations.

The Board expects a slow recovery from the world economic crisis. Despite the recently-announced loss of a major European purchasing agreement and resultant expected loss of sales in 2010, Visonic remains confident that the Group has the expertise, products and strategy to meet the challenges ahead.

Commenting Avi Barir, CEO and President of Visonic, said:

"I am very grateful for everyone's achievements at Visonic during this challenging year. Since arriving at Visonic in October 2009 and taking over as CEO from 1 January 2010 I have been very impressed by the team. I am especially pleased with the improvement we have seen in sales during the year, while the strong cash flow is also very valuable. The successful introduction of new products and continuing investment in R&D should continue to have a positive influence in the years to come."



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Visonic has also 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. After the delisting, if approved, Visonic shares will continue to be traded on the Tel-Aviv Stock Exchange. A circular is today being sent to Shareholders, incorporating a notice convening a General Meeting of the Company which shall be held at 12:00 noon on 4 February 2010, and which will shortly be available from the Company's website at www.visonic.com.

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For further information please contact:

Visonic Limited

Avi Barir (President & CEO)

Yair Naaman (CFO)

Adi Enav (Investor Relations)

Tel: + 972 3 645 6797

www.visonic.com

Address: P.O.B. 13132, Tel-Aviv 69710, Israel

Hudson Sandler

Alistair Mackinnon-Musson/ Nathan Field

Tel: + 44 (0)20 7796 4133

visonic@hspr.com

Arbuthnot Securities

Richard Johnson / Edward Gay

+ 44 (0)20 7012 2000

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 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 Group'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.



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