

Press Release

November 20th, 2009



ISRA VISION AG: New evaluation by equinet and LBBW on ISRA shares

LBBW and equinet confirm their buy recommendation: ISRA share is a must-buy item

Darmstadt, November 20th 2009 – The shares of ISRA VISION AG (ISIN DE 0005488100), one of the world's top five suppliers in the field of industrial image processing (Machine Vision) and the world market leader for surface inspection systems, have been recommended for purchasing by the analysts of LBBW and equinet. In their feedback to the capital investors forum, at which the company presented itself to both local and foreign investors and analysts, they renewed their investment portfolio recommendations, in each case categorizing the shares as "Buy". While equinet calculates a "target price" of 13.80 Euros, LBBW continues to be more optimistic with 16 Euros.

LBBW specially emphasizes in its "Company Alert" the announcement made in the past week by ISRA on its investment in the Turkish company VISTEK and the confirmation of the guidance for the fiscal year 2008/2009. LBBW rates the participation in VISTEK as "strategically interesting" for ISRA, as the company offers a basis for ISRA's regional expansion in the rapidly growing Middle East market. LBBW expects a long-term business potential in this region amounting to between five and ten percent of ISRA's total turnover. In confirming the forecast for the business year 2008/2009, LBBW's analyst demonstrates satisfaction and independently reinforces the prognosis of moderate growth during the fiscal year 2009/2010. According to its estimate, demand will particularly increase in Asia and South America.

Equinet reaches the conclusion that ISRA is very strongly positioned in the markets which are relevant to the company, has access to a very wide customer base and additionally is continuing to grow by means of acquisitions. The analyst predicts that ISRA will be one of the major beneficiaries of the expected market shakeout. It also reinforces its buy recommendation by referring to this positive evaluation. According to its own calculations (on the basis of a share price of 10.60 Euros) the share price/asset value ratio is 0.5, the company value index (enterprise value) in terms of EBITDA is less than 4.0 and the share price/profit ratio is 6.9 (based on estimated earnings for 2009/2010).

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Company profile:

Together with its subsidiaries, ISRA VISION AG is globally one of the top five suppliers of industrial image processing (Machine Vision) and the market leader in Europe. ISRA employs around 400 employees at 20 locations around the world. In the last eleven years, the mid-sized technologies firm has grown continuously. In these eleven years, the company's total output has risen annually by an average (CAGR) of 31 percent, and its EBT has increased annually by an average of 36 percent. ISRA teaches machines intelligent vision and recognition. Brainware is the core of ISRA's solutions for automating production, production inspection and quality control. Brainware combines ISRA's self-designed software and strategically important hardware components. ISRA focuses on the areas of surface inspection, robot vision and quality inspection. ISRA thus enables industrial robots, for example, to autonomously recognize and grab a component with the aid of only a small camera. When it comes to surface inspection systems, the Darmstadt-based company is the world market leader. At top speeds, ISRA's systems inspect surfaces of metal, glass, paper, plastic, non-wovens, all (even color) printed surfaces and other materials, and 100% detect even the smallest defects.

ISRA solutions allow the customer to boost their efficiency and productivity through automation, thus sharpening their competitive edge. ISRA products provide a high ROI (return on investment) in both old and new production lines. It usually takes less than a year for an ISRA system to pay for itself. Automated inspection furthermore guarantees a pre-defined level of quality. Innovative yield management solutions allow the customer to optimize their profits. ISRA's key customers include: Daimler, KUKA, ABB, BMW, Volkswagen, General Motors, Ford, Schott, Saint Gobain, Pilkington, MAN Roland, Asahi, 3M, DuPont, Stora Enso, Weyerhaeuser, International Paper, Ahlstrom Crane ArcelorMittal, Nippon Steel, Thyssen Krupp, SeverStal and China Steel.

In the 2007/2008 fiscal year (September 30), ISRA experienced hefty growth and succeeded in reaching all revenue and profit goals, to the point of slightly exceeding expectations. The revenue grew by 33 percent to more than 68 million Euros. The EBIT more than doubled to just under 13 million Euros. The EBIT margin increased by seven percentage points to 17 percent. The EBT grew by 79 percent to 11.3 million Euros, and the EBT margin rose by 4 percentage points to 15 percent. As of September 30, 2008, ISRA is securely bankrolled with an equity ratio of 51 percent, liquid assets of 12.5 million Euros and plenty of available financing options.

The ISRA Group in Figures

In millions of Euro	2005/2006	2006/2007	2007/2008
Total output	53.5	58.6	76.3
EBIT	9.7	6.2	12.9
EBT	10.0	6.3	11.3
Equity ratio (in %)	73%	49%	51%

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