Press release

August 30th, 2013

ISRA VISION

ISRA VISION AG: 3rd Quarter 2012/2013 – Revenues grow by 8% and EBT by 10%

ISRA continues forecasted growth course; revenues of 100 million euro within reach for 2013/2014

- Revenue growth for 9 months plus 8% to 62.2 million euros (Q3 YTD 11/12: 57.6 mill. euros)
- EBT growth for 9 months plus 10% to 11.2 million euros (Q3 YTD 11/12: 10.1 mill. euros)
- Gross margin at stable level of 60% to total output (Q3 YTD 11/12: 60%)
- Continued high margins with respect to total output:
    - EBITDA margin at 26% (Q3 YTD 11/12: 26%)
    - EBIT margin at 17% (Q3 YTD 11/12: 17%)
    - EBT margin at 16% (Q3 YTD 11/12: 16%)
- Order backlog currently at approx. 50 million euros (Q3 11/12: approx. 55 mill. euros)
- Earnings per share (EPS) increased by 11 percent to 1.76 euros (Q3 YTD 11/12: 1.58 euros)
- Scheduled integration of GP Solar and new impulses from photovoltaic industry
- Profitable growth forecast for 2012/2013 with high single-digit revenue increase confirmed
- Positive outlook for financial year 2013/2014 – business dynamics on the rise

ISRA VISION AG (ISIN: DE 0005488100), one of the world's leading companies of industrial image processing (Machine Vision), global market leader for surface inspection systems, and one of the leading 3D machine vision providers, continues the successful growth course of the first six months of 2012/2013 in the third quarter. Revenues rise in the first nine months of the current financial year (October 1 to September 30) compared to the same period of the previous year by 8 percent to 62.2 million euros (Q3 YTD 11/12: 57.6 mill. euros). In comparison to the third quarter of 2011/2012 (Q3 Q/Q), revenues increased by 9 percent.

The positive results of the first six months with respect to profitability also continue in the third quarter, whereby all profit margins are at a high level. With respect to total output, the EBT margin (Earnings Before Taxes) was at 16 percent (Q3 YTD 11/12: 16%), in terms of revenues at 18 percent (Q3 YTD 11/12: 18%). EBT rose to 11.2 million euros, which corresponds to an increase of 10 percent compared to the first nine months of 2011/2012 (Q3 YTD 11/12: 10.1 mill. euros). On a three-month basis, EBT improved by 14 percent compared to the corresponding quarter of the previous financial year (Q3 Q/Q). The EBIT margin (Earnings Before Interest and Taxes) based on total output reached 17 percent (Q3 YTD 11/12: 17%), based on revenues 19 percent (Q3 YTD 11/12: 19%). After depreciation and amortization in the amount of 5.9 million euros in the first nine months (Q3 YTD 11/12: 5.8 mill. euros), EBIT increased to 11.7 million euros (Q3 YTD 11/12: 10.7 mill. euros). The EBITDA margin (Earnings Before Interest, Taxes, Depreciation and Amortization) resulted in 26 percent to total output (Q3 YTD 11/12: 26%), EBITDA rose to 17.7 million euros (Q3 YTD 11/12: 16.6 mill. euros).

The gross margin (total output minus cost of materials and labor of production and engineering) with 60 percent based on total output confirms the medium-term target level (Q3 YTD 11/12: 60%). After three quarters, the operative cash flow was at 10.8 million euros (June 30, 2012: 10.5 mill. euros). The net cash flow amounted to 0.9 million euros (March 31, 2013: -0.8 mill. euros), whereby financial liabilities in the amount of 3.4 million euros were repaid as scheduled, as well as 1.4 million euros spent for acquisitions. In addition, the company features solid capital resources with an equity ratio that increased to 57 percent (September 30, 2012: 56%). Earnings per share after taxes improved by 11 percent to 1.76 euros (Q3 YTD 11/12: 1.58 euros).

With respect to the regional business development, ISRA profits from its strong worldwide presence. As a result, the company increased its revenues in the first nine months, particularly in Asia – most notably in China – but also in North and South America. In Europe, the economic situation and the investment delays associated with it – especially in South and East Europe – led to a more restrained business. The further business development in the global markets is expected to be inconsistent. Order entries in Asia and America continue to show increases for the fourth quarter, while a slower growth is being anticipated for the business in Europe.

In the reporting quarter, ISRA expanded in both segments – Surface Vision and Industrial Automation. The business in the Industrial Automation segment developed very strongly also in the third quarter of the 2012/2013 financial year. Revenues reached 14.2 million euros (Q3 YTD 11/12: 10.7 mill. euros) – a growth of 32 percent. EBIT rose by 32 percent to 2.6 million euros (Q3 YTD 11/12: 2.0 mill. euros), the EBIT margin was at 16 percent based on total output (Q3 YTD 11/12: 16%). The high growth is particularly driven by the automotive industry. The two large-scale orders from important German premium manufacturers already contribute to the revenues. The continuous dynamic in this segment indicates a strong development for the final quarter 2012/2013, as well as the next financial year.

In the Surface Vision segment, revenues rose in the first three quarters to 48.0 million euros (Q3 YTD 11/12: 46.8 mill. euros), while EBIT improved to 9.1 million euros (Q3 YTD 11/12: 8.7 mill. euros). Referenced to total output, the EBIT margin was at 17 percent (Q3 YTD 11/12: 17%). A good contribution to revenues is made by the units Plastic, Paper, and Print. The business with the glass industry profits from positive impulses in the second half year of 2012/2013 – strategic orders are expected shortly. As planned, the revenues in the Specialty Paper segment are at a lower level. In order to compensate for the investment delays in the metal industry – primarily in the Steel segment – global sales activities are strengthened with further product innovations. First signs of a starting recovery for the photovoltaic industry are recorded by ISRA in Asia, particularly in China, Taiwan and Korea. The increasing inquiries for inspection solutions of upstream industries – such as the module glass production – serve as an early indicator.

Besides the organic, the external growth through acquisitions of suitable companies is also an important component of the long-term company strategy. The integration of GP Solar GmbH acquired in May, by which ISRA strategically strengthened its position in the photovoltaic market, is already far advanced and progresses as planned. The product portfolio was merged and jointly presented at international exhibitions. Synergies could be realized in numerous areas, especially with “design for cost” strategies in R&D. Overall, ISRA does not expect significant impact on earnings from the acquisition, since the costs are adjusted according to the expected revenues. Management is currently analyzing further interesting acquisition targets and, in case of a positive analysis result, intends to close an additional project in 2013/2014.

The business development for the last quarter of 2012/2013 as well as the next financial year is determined particularly by the economic situation in the global markets. The different dynamics in the individual business areas are met with targeted marketing and sales measures as well as the introduction of additional innovations, which will support the revenue goals as well as the growth strategy of the current financial year and beyond. Based on the current order backlog of approx. 50 million euros (previous year: approx. 55 mill. euros) and the increasing order entries in the second half of the current financial year, ISRA anticipates revenue growth for 2012/2013 in the high single-digit range and at least stable margins. Due to the currently improving market environment, the company expects additional growth effects also for the business development in 2013/2014. Following the long-term strategy, ISRA actively prepares itself – amongst others with the reinforcement of the management team – for the new revenue dimension of significantly more than 100 million euros as well as double-digit growth rates.

Company profile:

ISRA Vision AG, together with its subsidiaries, is the world market leader for surface inspection systems. Furthermore, it is one of the globally leading providers of machine vision programs, specialising in the area of 3D machine vision, in particular for “3D robot vision”.

The core competence of the company is the ISRA-BrainWARE®, an innovative software for intelligent machine vision systems. Here, the scientific know-how from the fields of optics, lighting technology, surveying technology, physics, image processing and classification algorithms and a complex system design are combined. Machine vision is a key technology for visualising systems that imitate the human eye. Today’s ISRA applications focus primarily on the automation of production and quality assurance of goods and products supplied to large, future-oriented markets such as energy, healthcare, food, mobility and information. The customers mainly include renowned global players from the respective sectors. With more than 25 locations worldwide, ISRA offers customer proximity everywhere and ensures optimum service and support.

In the past fifteen years, ISRA has shown profitable growth with an annual average increase in sales of 25 per cent. Currently ISRA employs approx. 600 people worldwide.

Further information is available at www.isravision.com.

Consolidated Total-Operating-Revenue-EBITDA-EBIT-statement *)***)
from Oct. 1, 2012 to Jun. 30, 2013 in T€

	FY 2012/2013 9 months (Oct. 1, 2012 to Jun. 30, 2013)		FY 20112012 9 months (Oct. 1, 2011 to Jun. 30, 2012)		FY 2012/2013 3 months (Apr. 1, 2013 to Jun. 30, 2013)		FY 2011/2012 3 months (Apr. 1, 2012 to Jun. 30, 2012)	
Net sales	**62,214**	**90%**	**57,559**	**90%**	**22,091**	**90%**	**20,298**	**91%**
Capitalized development	6,891	10%	6,413	10%	2,399	10%	2,069	9%
Total operating revenue	**69,105**	**100%**	**63,973**	**100%**	**24,490**	**100%**	**22,366**	**100%**
Cost of materials	13,614	20%	12,710	20%	5,210	21%	4,293	19%
Cost of labor excluding depreciation	14,091	20%	13,027	20%	4,696	19%	4,676	21%
Production cost excluding depreciation	**27,705**	**40%**	**25,738**	**40%**	**9,906**	**40%**	**8,969**	**40%**
Gross Profit	**41,400**	**60%**	**38,235**	**60%**	**14,584**	**60%**	**13,397**	**60%**
Research and development costs total excluding depreciation	**10,424**	**15%**	**9,441**	**15%**	**3,576**	**15%**	**3,066**	**14%**
Sales and marketing costs	10,731	16%	9,819	15%	3,877	16%	3,372	15%
Administration costs	3,274	5%	3,141	5%	1,094	4%	1,001	4%
Sales and administration costs excluding depreciation	**14,005**	**20%**	**12,960**	**20%**	**4,971**	**20%**	**4,372**	**20%**
Other operational revenue/expenses	681	1%	722	1%	222	1%	-56	0%
EBITDA	**17,652**	**26%**	**16,557**	**26%**	**6,259**	**26%**	**5,902**	**26%**
Depreciation	5,938	9%	5,845	9%	1,983	8%	2,140	10%
Total costs	**30,367**	**44%**	**28,246**	**44%**	**10,530**	**43%**	**9,579**	**43%**
EBIT	**11,714**	**17%**	**10,711**	**17%**	**4,276**	**17%**	**3,762**	**17%**
Shares in associated companies	-3	0%	-29	0%	-8	0%	-22	0%
Interest income	22	0%	39	0%	17	0%	12	0%
Interest expense	-568	-1%	-613	-1%	-220	-1%	-185	-1%
Total costs	30,499	44%	28,364	44%	10,541	43%	9,327	42%
EBT	**11,165**	**16%**	**10,108**	**16%**	**4,065**	**17%**	**3,567**	**16%**
Taxes on earnings	3,393	5%	3,152	5%	1,249	5%	1,121	5%
Net profit for the period	**7,772**	**11%**	**6,955**	**11%**	**2,816**	**11%**	**2,446**	**11%**
Minorities	66	0%	38	0%	20	0%	9	0%
Net profit after minorities	**7,706**	**11%**	**6,917**	**11%**	**2,796**	**11%**	**2,437**	**11%**
Earnings per share in € before tax**)	2.55		2.31		0.93		0.82	
Earnings per share in € **)	1.76		1.58		0.64		0.56	
Shares issued	4,381,145****)		4,375,796****)		4,380,953****)		4,372,743****)	

*) according to IFRS unaudited
**) per-share result undiluted and diluted
***) This pro forma statement is an additional presentation based on the comprehensive presentation given in previous years and not part of the IFRS consolidated financial statements.
****) weighted number of shares

Consolidated income statement*)***)

from October 1, 2012 to Jun. 30, 2013 in T€

	FY 2012/2013 9 months (Oct. 1, 2012 to Jun. 30, 2013		FY 2011/2012 9 months (Oct. 1, 2011 to Jun. 30, 2012		FY 2012/2013 3 months (Apr. 1, 2013 to Jun. 30, 2013)		FY 2011/2012 3 months (Apr. 1, 2012 to Jun. 30, 2012)	
Net sales	**62,214**	**100%**	**57,559**	**100%**	**22,091**	**100%**	**20,298**	**100%**
Cost of sales	**28,145**	**45%**	**26,175**	**45%**	**9,998**	**45%**	**9,200**	**45%**
Gross operating result (gross profit)	**34,069**	**55%**	**31,384**	**55%**	**12,093**	**55%**	**11,097**	**55%**
Research and development	**8,351**	**13%**	**7,665**	**13%**	**2,723**	**12%**	**2,531**	**12%**
Total costs	10,424	17%	9,441	16%	3,576	16%	3,066	15%
Depreciation	5,061	8%	4,973	9%	1,789	8%	1,686	8%
Grants	-243	0%	-335	-1%	-243	-1%	-153	-1%
Capitalized development	-6,891	-11%	-6,413	-11%	-2,399	-11%	-2,069	-10%
Sales and marketing cots	**11,066**	**18%**	**10,148**	**18%**	**3,958**	**18%**	**3,543**	**17%**
Administration costs	**3,376**	**5%**	**3,246**	**6%**	**1,115**	**5%**	**1,053**	**5%**
Sales and administration costs	**14,442**	**23%**	**13,395**	**23%**	**5,073**	**23%**	**4,595**	**23%**
Other operational revenue/expenses	438	1%	387	1%	-21	0%	-209	-1%
Shares in associated companies	-3	0%	-29	0%	-8	0%	-22	0%
Interest income	22	0%	39	0%	17	0%	12	0%
Interest expense	-568	-1%	-613	-1%	-220	-1%	-185	-1%
Earnings before taxes (EBT)	**11,165**	**18%**	**10,108**	**18%**	**4,065**	**18%**	**3,567**	**18%**
Taxes on earnings	3,393	5%	3,152	5%	1,249	6%	1,121	6%
Net profit for the period	**7,772**	**13%**	**6,955**	**12%**	**2,816**	**13%**	**2,446**	**12%**
Minorities	66	0%	38	0%	20	0%	9	0%
Net profit after minorities	**7,706**	**12%**	**6,917**	**12%**	**2,796**	**13%**	**2,437**	**12%**
Earnings per share in € before tax **)	2.55		2.31		0.93		0.82	
Earnings per share in € **)	1.76		1.58		0.64		0.56	
Shares issued	4,381,145****)		4,375,796****)		4,381,240		4,372,743****)	

*) according to IFRS/IAS unaudited
**) per share result undiluted and diluted
***) The company's quarterly consolidated financial statements were prepared in accordance with the International Accounting Standards (IASs) of the International Accounting Standards Board (IASB). In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.
****) weighted number of shares

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Consolidated Balance Sheet**)

as of June 30, 2013 in T€

Assets	Jun. 30, 2013*	Sep. 30, 2012
Assets		
Short-term-assets		
Inventories	29,568	24,866
Trade receivables	58,728	59,784
Cash and cash equivalents	7,836	6,801
Financial assets	2,175	508
Other receivables	942	2,186
Income tax receivables	645	439
Total short-term assets	**99,894**	**94,584**
Long-term assets		
Intangible assets	88,046	86,012
Tangible assets	5,221	4,499
Shareholdings in associated companies	192	195
Cash and cash equivalents	630	735
Financial assets	1,198	1,198
Deferred tax claims	3,883	4,517
Total long-term assets	**99,170**	97,156
Total assets	**199,064**	**191,740**

Equity and liabilities	Jun. 30, 2013*	Sep. 30, 2012
Short-term liabilities		
Trade payables	7,902	7,299
Financial liabilities to banks	28,151	23,793
Other financial liabilities	6,682	8,870
Other accruals	949	712
Tax liabilities	1,997	2,302
Other financial liabilities	1,284	2,022
Total short-term liabilities	**46,965**	**44,998**
Long-term liabilities		
Deferred tax liabilities	23,839	21,604
Financial liabilities	12,100	15,375
Accruals for obligations to employees	2,158	2,059
Total long-term liabilities	**38,097**	**39,038**
Equity		
Issued capital	4,381	4,381
Capital reserves	38,623	38,623
Profit brought forward	61,259	51,910
Net profit after minority interests	7,707	10,663
Cash- flow hedges	-2	-28
Currency exchange variations	1,107	1,286
Own shares	-8	0
Shareholdings of partners of parent company	**113,067**	**106,835**
Minority interests	935	869
Total equity	**114,002**	**107,704**
Total equity and liabilities	**199,064**	**191,740**

*) according to IFRS unaudited
**) The company 's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB). In the year under review the IFRSs and SICs which must compulsorily be applied were followed.

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Consolidated Cash flow Statement*)**)

from October 1, 2012 to June 30, 2013 in T€

	Oct. 1, 2012 to Jun. 30, 2013	Oct. 1, 2011 to Jun. 30, 2012
Consolidated net profit for the period	**7,772**	**6,955**
Income tax payments	-2,154	-500
Changes in tax liabilities/ reimbursement claims, Including change in deferred taxes	2,869	3,910
Changes in accruals	-3,198	-38
Depreciation	5,938	5,395
Changes in inventories	-2,438	-2,758
Changes in trade receivables, other assets, prepaid expenses	7,271	-644
Changes in trade payables, other liabilities, deferred income	-5,826	-2,349
Interest income	-22	-39
Interest expenses	568	613
Other non-cash transactions	50	-14
Cash flow from operating activities	**10,830**	**10,531**
Investments in tangible assets	-431	-524
Investments in intangible assets	-7,090	-6,712
Investment in financial assets	3	21
Investments in acquisitions	-1,418	-50
Cash flow from investment activities	**-8,936**	**-7,265**
Payments to minorities through share buy-back	-8	-3
Deposit from the sale of own shares	0	0
Dividends payment	-1,314	-1,094
Minorities	0	-56
Payments of financial liabilities	4,437	5,652
Repayments of financial liabilities	-3,355	-3,355
Interest income	22	39
Interest expenses	-568	-613
Cash flow from financing activities	**-786**	**570**
Changes in value resulting from exchange rate variations	-179	206
Change in fund assets	**930**	**4,042**
Net cash flow		
Fund assets as per Oct. 01, 2012/ Oct. 01, 2011	7,536	5,847
Fund assets as per Jun.30, 2013/ Jun. 30, 2012	8,466	9,889

*) according to IFRS unaudited
**) The company 's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB). In the year under review the IFRSs and SICs which must compulsorily be applied were followed.

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ISRA VISION

Segment Reporting by Division for selected positions of the consolidated income statement In T€*)**)				
	Industrial Automation Division		Surface Vision Division	
	Oct. 1, 2012 to Jun. 30, 2013	Oct. 1, 2011 to Jun. 30, 2012	Oct. 1, 2012 to Jun. 30, 2013	Oct. 1, 2011 to Jun. 30, 2012
Revenues	14,202	10,722	48,012	46,837
EBIT	2,622	1,988	9,092	8,724

*) according to IFRS unaudited
**) The company 's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards of the International Accounting Standards Board (IASB). In the year under review the IFRSs and SICs which must compulsorily be applied were followed.

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