ISRA VISION 30 YEARS

Quarterly Report Q1
Financial Year 2014 / 2015

ISRA VISION AG: 1st Quarter 2014/2015 – revenues rise by 9%, EBT by 10%

ISRA continues profitable growth – successful start into financial year 2014/2015

- Revenue increase of 9% to 23.8 million euros (Q1 13/14: 21.9 million euros)
- EBT growth plus 10% to 4.4 million euros (Q1 13/14: 4.0 million euros)
- Strong margin level with respect to total output continues:
  - EBITDA margin at 26% (Q1 13/14: 26%)
  - EBIT margin increases to 18% (Q1 13/14: 17%)
  - EBT margin at 17% (Q1 13/14: 17%)
- Gross margin at 61% to total output (Q1 13/14: 61%)
- Earnings per share (EPS) increase to 0.69 euro (Q1 13/14: 0.64 euro)
- Operative cash flow improved
- High order backlog of significantly more than 65 million euros (PY: approx. 55.5 million euros)
- Continuation of double-digit profitable growth with at least stable margins planned
- Increased focus on efficiency and external growth
- Dividend recommendation for financial year 13/14 raised to 0.39 euro (PY: 0.35 euro)

In short form

(in € k)	FY 2014 / 2015 3 months		FY 2013 / 2014 3 months		Change
Revenues	23,804	91%*	21,934	90%*	9%
Gross Profit	15,932	61%*	14,712	61%*	8%
EBITDA	6,897	26%*	6,298	26%*	10%
EBIT	4,643	18%*	4,190	17%*	11%
EBT	4,437	17%*	4,023	17%*	10%
Net profit	3,045	12%*	2,794	11%*	9%
Earnings per share after taxes	0.69		0.64		

*) In relation to total output

Business activity

ISRA VISION AG (ISIN: DE 0005488100), one of the world's top companies for industrial image processing (Machine Vision) as well as globally leading in surface inspection of web materials and 3D machine vision applications, continues its growth in the first quarter of 2014/2015 after the successful 2013/2014 financial year and reaching the important revenue mark of 100 million euros. The company starts the new financial year with good order entries. With a revenue plus of 9 percent to 23.8 million euros (Q1 13/14: 21.9 million euros) compared to the same period of the previous year and an EBT growth of 10 percent to 4.4 million euros (Q1 13/14: 4.0 million euros), ISRA further pursues its strategy of double-digit profitable growth. The strong margin level also continues as forecasted. The EBT margin compared to revenues increases by one percentage point to 19 percent (FY Q1 13/14: 18%), compared to total output it reaches again 17 percent as in the previous

year. Earnings Before Interest and Taxes (EBIT) increases slightly stronger with a plus of 11 percent to 4.6 million euros (Q1 13/14: 4.2 million euros) compared to the same period of the previous year. The EBIT margin compared to total output increases by one percentage point to 18 percent (Q1 13/14: 17%). With an EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of 6.9 million euros (Q1 13/14: 6.3 million euros), the EBITDA margin amounts to 26 percent to total output (Q1 13/14: 26%). The gross margin (total output minus cost of materials and labor of production and engineering) shows with 61 percent to total output a minor increase compared to the previous financial year (FY 13/14: 60%). Operative cash flow also rose slightly and amounts to 2.0 million euros as of the reporting date (December 31, 2013: 1.9 million euros), thereby continuing the positive trend of the previous quarters. Given the increase in equity ratio by one percentage point to 59 percent (September 30, 2014: 58%) and the available credit lines, the company is equipped with solid capital resources for future growth. Earnings per share after taxes (EPS) increase to 0.69 euro (Q1 13/14: 0.64 euro).

The good order entry in the first three months of the year under review 2014/2015 and the currently high order backlog of significantly more than 65 million euros (PY: approx. 55.5 million euros) form a good basis for continuing the growth strategy. With the extension of the management team in the strategically relevant key position Operations and the focus on efficiency, the company underscores the concentration on measures to further optimize the cash flow.

Regions and Segments

The investments in the global expansion of the company, the increase of market shares in relevant industries and the extension of the international team at more than 25 locations - actions that were systematically continued in the 2013/2014 financial year - positively contributed to the business development in the first quarter of 2014/2015. The order entry dynamics from America that started in the second half of the 2013/2014 year also proceeded in the first quarter of the current financial year. As expected, Asia records a slightly lower dynamics – but also contributes similarly to the revenues as in the previous year. The demand from Europe is stable – essential growth impulses are expected in the second half of the year. The regional diversification of the company and the expansion of the global presence are important instruments for a continued positive revenue development.

In the reporting quarter, ISRA grew in both segments – Surface Vision and Industrial Automation. The Industrial Automation segment is characterized by a broad customer base mainly from the automotive industry. In addition to this, several larger orders are expected in the medium term – the international sales team will be reinforced for this purpose. In the first three months of the financial year, revenues climbed by 12 percent to 4.1 million euros (Q1 13/14: 3.6 million euros). EBIT also increase by 12 percent to 0.8 million euros (Q1 13/14: 0.8 million euros), whereby the EBIT margin rose by one percentage point to 19 percent referenced to total output compared to the previous year (Q1 13/14: 18%). For the current year, management also expects a revenue contribution from the „Plug & Automate“ product series which, after the launch in the German market, have successfully been installed at some strategic customers.

In the Surface Vision segment, revenues increase to 19.7 million euros in the first three months of the financial year (Q1 13/14: 18.3 million euros). The strong annual result of 2013/2014 of 77.4 million euros – an improvement of 19 percent compared to previous year – continues with an increase of 8 percent in the first quarter. EBIT rose by 13 percent to 3.8 million euros (Q1 13/14: 3.4 million euros), which corresponds to a margin of 17 percent to total output (Q1 13/14: 17%). High order entries are recorded particularly from the Plastics segment. Metal profits from the innovations recently introduced to the market. The good order situation in glass industry continued in the new financial year. The business performance tendency in the solar industry is positive and on a similar level as in the previous year. In this context, ISRA profits specifically from the sustained demand for inspection systems from Asia and the strategically strong market position following the successful integration of GP Solar. The revenues in the Paper unit are intensively supported by innovations and investments in the

expansion of the global sales team. The recently introduced product innovations for customers in the printing industry are accompanied by marketing activities and forced by sales. In the area of inspection systems for security paper, like banknote paper, intensive marketing campaigns are being prepared, especially to present the innovations at upcoming trade fairs.

Revenue and profit situation

In the first three months of the 2014/2015 financial year, ISRA increased revenues by 9 percent to 23.8 million euros (Q1 13/14: 21.9 million euros). The total output reached 26.2 million euros (Q1 13/14: 24.3 million euros). The share of production costs with 10.3 million euros (Q1 13/14: 9.6 million euros) amounts to 39 percent while expenditures for labor remain - similar to the same period of the previous year - constant at 20 percent to total output (Q1 13/14: 20%). Regarding the expenditures for materials, the measures for the internal efficiency program „Design to Cost“ show their first effect: The cost for materials referenced to total output increases by 5 percent disproportionately lower to revenue growth and drops by one percentage point to 19 percent compared to the same period of the previous year. This results in a gross margin of 61 percent to total output – an increase by one percentage point compared to the 2013/2014 financial year. Expenditures for Research & Development amounted to 4.1 million euros (Q1 13/14: 3.9 million euros), which corresponds to a share of 16 percent referenced to total output. In this context, ISRA continues to pursue its goal of reaching a R&D share of 14 percent with respect to total output for the long term. Costs for Sales and Marketing amounted to 4.6 million euros (Q1 13/14: 4.0 million euros), while those for administration fell as planned by 3 percent and equal the target mark of 4 percent referenced to total output.

The high margins of the previous quarters for EBITDA, EBIT and EBT were reached again and partially even improved. In the first three months of the 2014/2015 financial year, ISRA raised an EBITDA of 6.9 million euros (Q1 13/14: 6.3 million euros), whereby the EBITDA margin remains constant at 26 percent referenced to total output (Q1 13/14: 26%). After depreciations and amortizations in the sum of 2.3 million euros (Q1 13/14: 2.1 million euros), the company reached an EBIT of 4.6 million euros, 11 percent more as in the period of the previous year (Q1 13/14: 4.2 million euros). The EBIT margin increases by one percentage point to 18 percent (Q1 13/14: 17%) to total output. Earnings before taxes (EBT), a key number for the management of the ISRA Group, raises by 10 percent to 4.4 million euros referenced to total output (Q1 13/14: 4.0 million euros), while the EBT margin referenced to revenues improved by one percentage point to 19 percent (Q1 13/14: 18%) – referenced to total output, it remains constant at 17 percent (Q1 13/14: 17%). Earnings per share after taxes increase to 0.69 euro (Q1 13/14: 0.64 euro).

The recent currency situation of EUR to USD or RMB might also effect the revenue and margin development. In principle, the majority of all customer orders are concluded in Euro – which currently leads to interesting competitive situations in certain markets, particularly in the United States and China. On the other hand, costs are also incurred in these regions that climb conditionally according to the currency situation. With a corresponding sales focus and a permanent analysis of the currency situation, an attempt is made to minimize possible risks and take advantage of opportunities resulting from these effects.

Liquidity and financial situation

As of the reporting date of December 31, 2014, the company achieved an operative cash flow of 2.0 million euros (December 31, 2013: 1.9 million euros). For investments, the company spent 2.6 million euros (December 31, 2013: 2.5 million euros). As of the reporting date, the cash flow from financing activities amounted to 2.1 million euros (December 31, 2013: -2.2 million euros). The scheduled repayment of financial liabilities amounted to 2.5 million euros (December 31, 2013: 2.5 million euros). In the first quarter of the 2014/2015 financial year, the net cash flow increased to 1.4 million euros (December 31, 2013: -2.8 million euros). The sustained optimization and stabilization of the cash flow remains an intensive focus of the management.

As of December 31, 2014, the group total assets amount to 223.3 million euros (September 30, 2014: 222.5 million euros). As of the reporting date; Inventories on the asset side rise by 2 percent to 28.5 million euros (September 30, 2014: 28.0 million euros). The trade receivables fell by 2 percent and amounted to 69.0 million euros (September 30, 2014: 70.2 million euros). The total of short-term assets remains constant at 114.6 million euros (September 30, 2014: 114.3 million euros). The long-term assets total 108.6 million euros (September 30, 2014: 108.2 million euros).

On the liabilities side of the consolidated balance sheet, trade payables amount to 5.6 million euros as of December 31, 2014 (September 30, 2014: 8.7 million euros). The financial liabilities to banks as of the reporting date rose to 42.1 million euros (September 30, 2014: 32.0 million euros), while the other financial liabilities were reduced to 9.4 million euros (September 30, 2014: 12.1 million euros). Another decrease was recorded by the tax liabilities which fell to 2.2 million euros (September 30, 2014: 2.3 million euros). The company reduced the long-term liabilities to banks by 7.5 million euros to 0.5 million euros (September 30, 2014: 8.0 million euros).

Equity increased in the first three months of the 2014/2015 financial year to 132.0 million euros (September 30, 2014: 129.5 million euros). Given the increase in equity ratio by one percentage point to 59 percent (September 30, 2014: 58%) and the available credit lines, the company is equipped with solid capital resources for future growth. As of December 31, 2014, ISRA held 12,800 own shares.

Employees and Management

In the first three months of the 2014/2015 financial year, the ISRA Group employed 564 employees on average at the more than 25 locations worldwide (Q1 13/14: 535). By the end of the first quarter on December 31, 2014, the company counted a total of approximately 600 employees. The Production and Engineering areas employed 45 percent, approximately 20 percent in each case worked in Research & Development as well as in Marketing & Sales. The share of employees in administration amounted to 13 percent. About 74 percent of the employees are working in Europe, around 16 percent in Asia and approx. 9 percent in North and South America.

With the targeted expansion of the worldwide team in the Sales, Marketing and Service areas, the global expansion was continued further as planned. Management endeavors to maintain the sustained personnel strategy, particularly in the dynamically growing markets, with highly qualified employees.

Additionally, with the strategic extension of the existing management board with Andreas Gerecke, ISRA continued to actively pursue its growth strategy – which core it is to grow sustainably and profitably, diversified across technologies, regions and markets. In his new function as Executive Director Group Operations, Gerecke is also responsible for the further optimization of the production processes – lean production – as well as the calculated expansion of the infrastructure for continued growth. Besides preparing the company for the next revenue dimension, his tasks also include strengthening the profitability and the hereby resulting optimization and continuation of the cash flow.

Marketing and Sales

ISRA utilizes leading international trade fairs to present its products at a customer-specific level in relevant markets and regions. The goal of the investments in Marketing and Sales consists of generating new and recurring business and, as result, additional profitable growth. In the first quarter of 2014/2015, the company was again present at the leading trade fairs and introduced its innovations to existing and potential customers from the automation, metal, glass, solar, paper, plastics and printing industry. Overall in this quarter, ISRA participated in 14 trade fairs in Asia, Europe as well as North and South America.

At MOTEK in Stuttgart, one of the international leading trade fairs for production and assembly automation, ISRA presented the new development of an intelligent sensor – "APS-3D". Customers can benefit primarily from the high-precision measurement of freeform surfaces; on top of that, it can be used in extremely flexible ways. At the leading trade fair for image processing – VISION – in Stuttgart, the performance of the "Shapescan3D" sensor was presented to the interested trade specialists: It allows the automated removal of unsorted parts from the transport box and the integration into the production. The product was further improved and offers one of the most reliable solutions for the „intelligent bin picking". As part of the SPS IPC Drives in Nuremberg, the landmark trade fair for electrical automation, ISRA showed its innovations in the areas of 3D measurement technology and "Plug & Automate".

The new product line "Floatscan 5D", which offers a worldwide unique multi-dimensional inspection of float glass, was demonstrated at Glasstec in Düsseldorf, the worldwide largest trade fair of the glass industry. At the center of SEMICON JAPAN, one of the largest specialty fairs for materials and production equipment of the semiconductor industry was the presentation of prototypes which enable the high-precision quality measurement of semiconductor products in the µm range. At ABTCP, the Brazilian trade fair for paper, the company was also represented with product innovations that were well received by the local audience.

Besides the presence at numerous international important trade fairs, ISRA also invites its customers to internal workshops. This is an important communication channel to understand future customer needs and requirements as well as industry-specific processes. It allows new products to be developed and introduced to the market in a targeted way and within a short period of time.

Research and Development

As one of the innovation leader in the industrial image processing segment, Research & Development have a very high priority for ISRA. The investments in R&D represent a fundamental part of the long-term growth strategy and are the driving force for the advanced products and applications from which customers worldwide can benefit. In the first three months of the 2014/2015 financial year, the company invested overall 4.1 million euros (Q1 13/14: 3.9 million euros) in research and development. 2.4 million euros (Q1 13/14: 2.4 million euros) account for new products which are awaiting their immediate market launch. The R&D expenditures rose disproportionately to revenues by 4 percent in the first quarter and amount to 16 percent to total output. Consequently, ISRA continues to pursue the goal of reaching an R&D share of 14 percent referenced to total output in medium term. With innovative products and applications, the company develops new growth sources and purposefully advances the expansion in relevant markets and business fields. ISRA maintains close contacts to the industry using the key account strategy to gain detailed views into the customer's process flows. It represents a success factor for the early development of innovative products with unique selling propositions for pioneering automation tasks. With the goal of additionally increasing the customer benefit, the applications are continuously being further developed with respect to performance capability and flexibility.

The new solutions support customers in generating additional potentials for increase in efficiency and profits. This focus is also reflected in the latest innovations. In the Surface Vision segment, ISRA enhanced a product for inspecting curved glass surfaces, such as windshields, which has become the standard for most premium car manufacturers. In the Printing unit, ISRA developed portfolio extensions for the inspection of printed web materials as well as the spectrometric analysis in the production of print products. In the Semiconductor area, a product that enables high-precision quality measurements of semiconductor products (such as the detection of hairline cracks) was successfully evaluated at the customer. Further demand impulses are already being registered by the market.

In the Industrial Automation segment, ISRA developed a new, flexible 3D measurement system and introduced it to the market. It is based on the further optimization and acceleration of an intelligent 3D sensor that is based

on the point cloud system. The versatile and easy to operate sensor contributes to the extension of the "Plug & Automate" product portfolio. The intelligent 3D sensor is primarily applied in car manufacturing and enables high 3D measurement accuracies. The result provides customers with new options for the automated production, such as more cost-efficient conversion times and the use for different vehicle types in one production line. In addition, its application in production is extremely flexible since users neither require previous experience nor specialist knowledge in Machine Vision.

A new release of the intelligent software architecture „EPROMI" (Enterprise Production Management Intelligence), which supports customers across industries in increasing efficiency and productivity in production, will be launched in the second quarter. Besides the further development of „EPROMI" for maximum flexibility and individual report generation for automated manufacturing processes, the expansion by mobile applications is also part of the focus of R&D activities.

Share

The ISRA share continued the dynamic price development of the previous financial year also from October, 2014 to February, 2015. The price of the share based on the Xetra closing price on October 01, 2014 valued 47.43 euros and climbed to 61.52 euros on February 24, 2015. Since the start of the current financial year, the share price has increased by approximately 30 percent so far, while the DAX rose by approx. 19 percent and the TecDAX by almost 26 percent in the same time period. In the 3-month period (October 01, 2014 to December 30, 2014), the price dropped slightly by 2.8 percent (Xetra closing price on December 31, 2014: 46.10 euros). In the first quarter 2014/2015, the ISRA share reached the lowest value of 38.55 euros on October 17, 2014, based on the closing price of the XETRA trading system. The share reached its highest value of 50.29 euros on November 28, 2014. In this time period, all German stock exchanges traded an average of approx. 9,800 ISRA shares per trading day (Q1 13/14: almost 7,700). This corresponds to a significant increase of the average trading volume compared to the 2013/2014 financial year (on average almost 8,000 shares per trading day). The market capitalization as of the reference date on December 31, 2014, amounted to 202.0 million euros (December 31, 2013: 175.5 million euros).

The share is being analyzed and assessed regularly by analysts from the investment companies M.M. Warburg, Hauck & Aufhäuser, Landesbank Baden-Württemberg, Oddo Seydler and Matelan Research.

A sustained and stable dividend policy is of great importance for the Management. At this year's annual general meeting of ISRA VISION AG for the 2013/2014 financial year on March 17, 2015, the company will recommend a dividend increase to 0.39 euros to the shareholders' meeting (PY: 0.35 euros per share).

Outlook

After the successful financial year 2013/2014 and the realization of the strategically important revenue mark of 100 million euros, together with the good start into the financial year 2014/2015, ISRA has reached a strong basis to further pursue its profitable growth strategy. For this purpose, the company is continuously investing in the expansion of the leading technological position, the regional diversification as well as the further development of the worldwide service network and the enlargement of the customer base consisting of global players. Besides the increase of market shares, the entry into new regions and industries remains a strong focus of the management.

For the current financial year, the company expects the continuation of the positive development of the first three months and good order entries from most of the units. The strong demand situation from North America shows a continuous good dynamics. For Europe, significant growth impulses are indicated for the second half of the year. In Asia, particularly in Korea and Japan, management assumes a continuation of the investment activities and slight growth – a similar revenue level as in the previous financial year is expected for China.

A continuing solid development can be seen for the Industrial Automation segment. The high demand for automation solutions comes predominantly from the automotive industry, particularly from premium German manufacturers as well as from the United States and Korea. In the Surface Vision segment, the company anticipates a continuation of the currently strong plastics business for the actual financial year and a good development in the segments Metal, Glass and Specialty Paper. After positive order entries from the solar industry, particularly from Taiwan, Korea and China in the first months of the financial year, ISRA anticipates a similar result as in 2013/2014 for the next quarters. The intensive sales activities in the Paper and Print units are being advanced to generate additional revenue impulses.

In the course of the 2014/2015 financial year, the further expansion of the CSSC (Customer Support and Service Center) will be one of the strategic key issues with the goal to further expand the share of the service revenues. The new release of the intelligent yield management software „EPROMI“ for efficiency and productivity increase in production will be launched with extensive coverage in the second quarter of 2014/2015. At the same time, the first orders are delivered to Asia. Management expects not only additional revenue impulses from „EPROMI“, but also the extension of unique selling points in the core business.

Besides the organic, the external growth through acquisitions of suitable companies is an important part of the long-term strategy to grow sustainably, diversified across technologies, regions and markets. As acquisition targets, ISRA defined the access to new markets that can be assigned directly or indirectly to long-term large future markets, the expansion of the technological base, as well as the increase of market shares in existing customer markets. The management again intensified the acquisition activities following the successful integration of GP Solar. With the support of external M&A partner, numerous targets are being approached in parallel. Currently, several possible target companies are at a partially advanced stage. It is planned to conclude at least one acquisition project, following a positive evaluation result, in the current financial year.

In the 2014/2015 financial year, the company will concentrate strategically as well as operationally on the realization of the next revenue dimensions. Therefore, ISRA strengthened the focus on efficiency with the appointment of the internationally experienced manager Andreas Gerecke to the Executive Board. In his function as Executive Director Group Operations, Gerecke is also responsible for the further optimization of the production processes – lean production – as well as the targeted expansion of the infrastructure for future growth. The further improvement of the production processes will also contribute significantly to optimizing the working capital and the cash flow.

Based on the strong order backlog of significantly more than 65 million euros in the first quarter (PY: approx. 55.5 million euros), management plans a profitable revenue increase for the entire 2014/2015 financial year in the double-digit growth rate – similar to the previous years. In terms of profit, it is planned to further optimize the margins, at least to hold the current high levels. The business expectations in the individual industries and regions show an inconsistent picture. Despite the political uncertainties and the economic challenges in some regions, the company assumes in its forecast that the worldwide economic conditions will not change significantly. ISRA's goal for the next years remains firmly in view; with the intensive focus on efficiency and innovations as well as targeted reinforcement of individual regions, the company continuously and actively prepares for the medium-term targeted revenue dimension of 150 million euros.

Consolidated Total Operating Revenue EBITDA-EBIT statement [1) 3)]

from October 1, 2014 to December 31, 2014 in € k

(in € k)	FY 2014/2015 3 months (Oct. 1, 2014 - Dec. 31, 2014)		FY 2013/2014 3 months (Oct. 1, 2013 - Dec. 31, 2013)	
Net sales	23,804	91%	21,934	90%
Capitalized work	2,391	9%	2,372	10%
Total output	26,196	100%	24,306	100%
Cost of materials	4,974	19%	4,760	20%
Cost of labour excluding depreciation	5,289	20%	4,834	20%
Cost of production excluding depreciation	10,264	39%	9,594	39%
Gross profit	15,932	61%	14,712	61%
Research and development Total	4,072	16%	3,926	16%
Sales and marketing costs	4,589	18%	3,977	16%
Administration	1,040	4%	1,068	4%
Sales and administration costs excluding depreciation	5,629	21%	5,045	21%
Other revenues	666	3%	557	2%
EBITDA	6,897	26%	6,298	26%
Depreciation and amortization	2,254	9%	2,108	9%
Total costs	11,955	46%	11,079	46%
EBIT	4,643	18%	4,190	17%
Earnings from associated companies	0	0%	0	0%
Interest income	8	0%	31	0%
Interest expenses	-214	-1%	-198	-1%
Financing result	-206	-1%	-167	-1%
EBT	4,437	17%	4,023	17%
Income taxes	1,393	5%	1,229	5%
Consolidated net profit	3,045	12%	2,794	11%
Of which accounted to non-controlling shareholders	29	0%	9	0%
Of which accounted to shareholders of ISRA VISION AG	3,016	12%	2,785	11%
Earnings per share in € before income taxes [2)]	1.02		0.92	
Earnings per share in € [2)]	0.69		0.64	
Shares issued	4,369,352 [4)]		4,380,940	

1) According to IFRS unaudited
2) Per-share result undiluted and diluted
3) 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
4) Weighted number of shares

Consolidated Income Statement [1) 3)]

from October 1, 2014 to December 31, 2014 in € k

(in € k)	FY 2014 / 2015 3 Monate (01.10.14 - 31.12.14)		FY 2013 / 2014 3 Monate (01.10.13 - 31.12.13)	
Net sales	23,804	100%	21,934	100%
Cost of sales	10,468	44%	9,717	44%
Gross operating result (gross profit)	13,336	56%	12,217	56%
Research and development	3,429	14%	3,142	14%
Total costs	4,072	17%	3,926	18%
Depreciation and amortization	1,831	8%	1,857	8%
Grants	-83	0%	-269	-1%
Capitalized work	-2,391	-10%	-2,372	-11%
Sales and marketing costs	4,767	20%	4,078	19%
Administration	1,080	5%	1,095	5%
Sales and administration costs	5,847	25%	5,173	24%
Other revenues	583	2%	288	1%
Earnings from associated companies	0	0%	0	0%
Interest income	8	0%	31	0%
Interest expenses	-214	-1%	-198	-1%
Financing result	-206	-1%	-167	-1%
Earnings before taxes (EBT)	4,437	19%	4,023	18%
Income taxes	1,393	6%	1,229	6%
Consolidated net profit	3,045	13%	2,794	13%
Of which accounted to shareholders of ISRA VISION AG	3,016	13%	2,785	13%
Of which accounted to non-controlling shareholders	29	0%	9	0%
Earnings per share in € before income taxes [2)]	1.02		0.92	
Earnings per share in € [2)]	0.69		0.64	
Shares issued	4,369,352 [4)]		4,380,940	

1) According to IFRS unaudited
2) Per-share result undiluted and diluted
3) The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB). In the year under review the IFRS and SICs which must compulsorily be applied were followed.
4) Weighted number of shares

Consolidated Balance Sheet [1) 2)]

at December 31, 2014 in € k

(in € k)	Dec. 31, 2014	Sep. 30, 2014
ASSETS		
Assets		
Short-term assets		
Inventories	28,521	27,963
Trade receivables	68,953	70,191
Cash and cash equivalents	12,315	10,924
Financial assets	2,573	3,778
Other receivables	1,652	789
Income tax receivables	624	605
Total short-term assets	114,638	114,250
Long-term assets		
Intangible assets	98,812	98,043
Tangible assets	5,752	5,865
Cash and cash equivalents	315	315
Financial assets	1,210	1,210
Deferred tax claims	2,548	2,777
Total long-term assets	108,637	108,210
Total assets	223,275	222,460
EQUITY AND LIABILITIES		
Short-term liabilities		
Trade payables	5,614	8,681
Financial liabilities to banks	42,097	31,974
Other financial liabilities	9,402	12,135
Other accruals	1,369	1,177
Incoem tax liabilities	2,161	2,282
Other liabilities	1,071	608
Total short-term liabilities	61,715	56,857
Long-term liabilities		
Deferred tax liabilities	26,144	25,176
Financial liabilities to banks	525	8,025
Pension provisions	2,904	2,888
Total long-term liabilities	29,574	36,089
Total liabilities	91,289	92,946
Equity		
Issued capital	4,381	4,381
Capital reserves	38,623	38,623
Profit brought forward	84,111	71,111
Net profit accounted to the shareholders of ISRA VISION AG	3,016	12,999
Other comprehensive income	1,017	1,224
Own shares	-527	-162
Share of equity capital held by ISRA VISION AG shareholders	130,621	128,176
Equity capital accounted to non-controlling shareholders	1,366	1,338
Total equity	131,987	129,514
Total equity and liabilities	223,275	222,460

[1)] According to IFRS unaudited

[2)] The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).
In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.

Consolidated Cash flow Statement [1) 2)]

from October 1, 2014 to December 31, 2014 in € k

(in € k)	Oct. 1, 2014 - Dec. 31, 2014	Oct. 1, 2013 - Dec. 31, 2013
Consolidated net profit	**3,045**	**2,794**
Income tax payments	422	565
Changes in deferred tax assets and liabilities	1,197	1,240
Changes in accruals	208	229
Depreciation and amortization	2,254	2,108
Changes in inventories	-558	1,186
Changes in trade receivables and other assets	1,560	1,381
Changes in trade payables and other liabilities	-6,326	-7,745
Interest income	-8	-31
Interest expenses	214	198
Other non-cash changes	0	9
Cash flow from operating activities	**2,008**	**1,934**
Payments for investments in tangible assets	-251	-174
Payments for investments in intangible assets	-2,391	-2,372
Company acquisition	0	0
Cash flow from investment activities	**-2,642**	**-2,546**
Payments to company owners through acquisition of own shares	-365	0
Dividend payouts	0	0
Deposits from the assumption of financial liabilities	5,123	426
Repayments of financial liabilities	-2,500	-2,500
Interest income	8	31
Interest expenses	-214	-198
Cash flow from financing activities	**2,052**	**-2,241**
Exchange rate-based value changes of the financial resources	-27	36
Change of financial resources	**1,391**	**-2,816**
Net cash flow		
Financial resources on 30.09.2014	11,239	9,655
Financial resources on 31.12.2014	12,630	6,839

[1)] According to IFRS unaudited

[2)] The Company's quarterly consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB).
In the year under review the IFRS/IASs and SICs which must compulsorily be applied were followed.

Consolidated Statement of Changes in Equity [1) 2)]

for the period October 1, 2014 to December 31, 2014 in € k

(in € k)	Issued capital	Capital reserves	Own shares	Other not-income-affecting changes in equity	Profit brought forward	Net profit of the period	Equity of share-holders ISRA VISION AG	Accounted to non-controlling share-holders	Equity
As of Sep. 30, 2014	4,381	38,623	-162	1,224	71,111	12,999	128,176	1,338	129,514
Profit brought forward	0	0	0	0	12,999	-12,999	0	0	0
Changes in own shares	0	0	-365	0	0	0	-365	0	-365
Payout	0	0	0	0	0	0	0	0	0
Changes in shares of non-controlling shareholders	0	0	0	0	0	0	0	0	0
Overall earnings	0	0	0	-207	0	3,016	2,809	28	2,837
Cash flow hedge							0		0
Actuarial profits / losses							0		0
Currency exchange variations				-207			-207		-207
As of Dec. 31, 2014	4,381	38,623	-527	1,017	84,111	3,016	130,621	1,366	131,987

1) According to IFRS unaudited
2) 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.

Consolidated Statement of Changes in Equity [1) 2)]

October 1, 2013 to December 31, 2013 in € k

(in € k)	Issued capital	Capital reserves	Own shares	Other not-income-affecting changes in equity	Profit brought forward	Net profit of the period	Equity of share-holders ISRA VISION AG	Accounted to non-controlling share-holders	Equity
As of Sep. 30, 2013	4,381	38,623	- 8	572	61,259	11,567	116,393	1,530	117,923
Profit brought forward					11,567	-11,567	0		0
Changes in own shares							0		0
Payout							0		0
Changes in shares of non-controlling shareholders							0		0
Overall earnings	0	0	0	80	0	2,785	2,865	9	2,874
Cash flow hedge				1			1		1
Actuarial profits/ losses							0		0
Currency exchange variations				79			79		79
As of Dec. 31, 2013	4,381	38,623	- 8	652	72,826	2,785	119,258	1,539	120,797

1) According to IFRS unaudited
2) 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.

Segment Reporting by Division [1) 2)]

for selected positions of the consolidated income statement in € k

(in € k)	Industrial Automation Division		Surface Vision Division	
	Oct. 1, 2014 - Dec. 31, 2014	Oct. 1, 2013 - Dec. 31, 2013	Oct. 1, 2014 - Dec. 31, 2014	Oct. 1, 2013 - Dec. 31, 2013
Revenues	4,057	3,621	19,748	18,314
EBIT	844	755	3,799	3,365

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

Explanatory notes

Basic accounting and valuation methods

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

Darmstadt, February 27, 2015

The executive board