



UPGRADING  
EVERYDAY  
SECURITY



## Company Overview

German equity forum, Frankfurt Nov. 2011

Mr. Lior Meidan, Member of the EL Board of Directors

# Safe Harbor Statement

The forward-looking statements contained herein reflect management's current views with respect to future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties that could cause the actual results to differ materially from those in the forward-looking statements, all of which are difficult to predict and many of which are beyond the control of Electronics Line. Electronics Line undertakes no obligation to publicly update or revise any such forward-looking statements to reflect any change in its expectations or in events, conditions or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

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## Electronics Line 3000 & RISCO Group:

As a RISCO Group company Electronics Line can become a significant player in the security residential and SOHO\* market

Mission statement: To provide users with **peace of mind** and enable them to **be secure, anywhere, anytime.**

\*SOHO: Small Office, Home Office

# Agenda

## ✓ Company

- Products
- The Market
- Financials and Business plan
- EL share

# About Electronics Line 3000 Ltd. (“EL”)

EL is a leading developer and provider of advanced **security** and **control** solutions, with **remote management** applications for the **residential and SOHO\*** markets

EL is an Israeli company publicly traded on the Prime Standard in Frankfurt Stock Exchange

- 28 years experience in business, as a technological innovator in next-generation security solutions.
- Design and produce a cutting-edge solutions offering security and control over living and working environments.
- Reliable wired and wireless systems, detectors, devices and management tools with remote access.

\*SOHO: Small Office, Home Office

# About RISCO Group

Risco Group is an Israeli, **privately held** Company focusing on the Global commercial security market.

- Major Shareholder of EL (~55% ).
- Over 30 years of experience in the business;
- Over \$100M annual turnover;
- Over 600 employees worldwide;
- Large manufacturing facilities;
- 10 branches in 4 continents;
- Sales in over 60 countries;




**WINNER**  
of Best Security Manufacturer

PSI Premier Awards 2008 | Security Excellence Awards 2007



# Where does EL fit in to RISCO's Group Divisions?

	Division	Target Customers
	RISCO Multi-Site Integration	Integrators
	RISCO Professionals	Professional Installers
	RISCO Service Platform	Service Providers
	RISCO@Home	Mass market - via Monitoring Stations, Utilities, Internet and Electricians

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REMOTE  
MANAGEMENT  
APPLICATIONS



WIRELESS  
SECURITY  
SOLUTIONS



HYBRID  
SECURITY  
SOLUTIONS



UPGRADING  
EVERYDAY  
SECURITY

- Sophisticated two way wireless technology
- Video verification with motion detector cameras
- Smartphone Apps for Homeowner
- Advanced remote management and services



# Solution Overview

## Security

Perimeter Protection

Internal Protection

## Connectivity

Communication Features

Two-way full duplex voice

## Safety

Environmental Monitoring

Fire, gas, flood, temperature

Personal

Childcare, eldercare

## Control

Local control

Home automation of lighting  
and home appliances





# Motion Detector Cameras

- Upon detection images are sent to the monitoring station and the Smartphone App
- Homeowners can take images via Smartphone App or Web browser
- Pictures can be taken in full darkness
- Battery powered camera – simple installation, no wires



# Smartphone App



- Compact design, all-in-one-box
- Great value for money with all essential functionalities
- Smartphone Apps for homeowner
- Advanced remote management and services

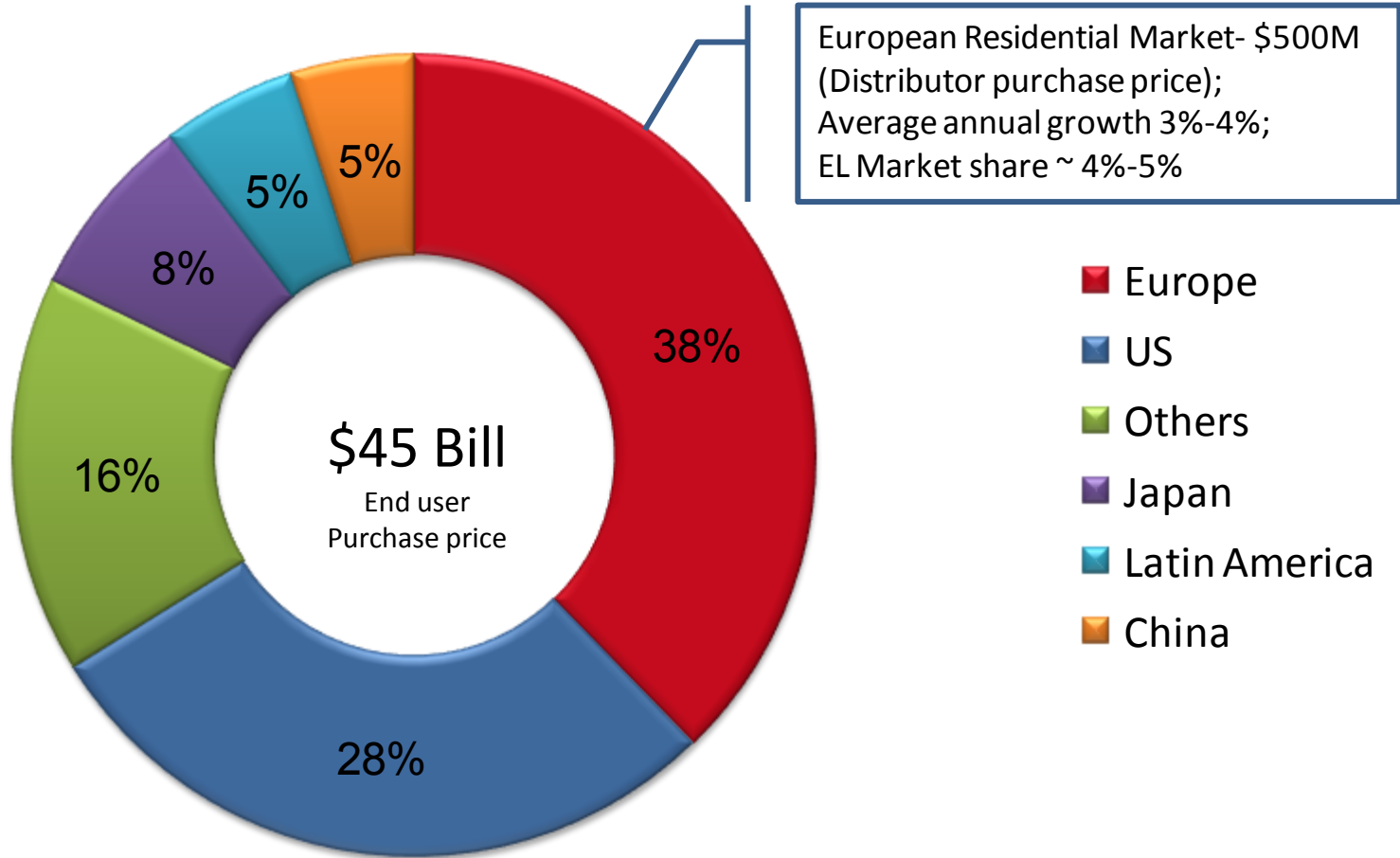


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# Electronic Security Equipment Market:

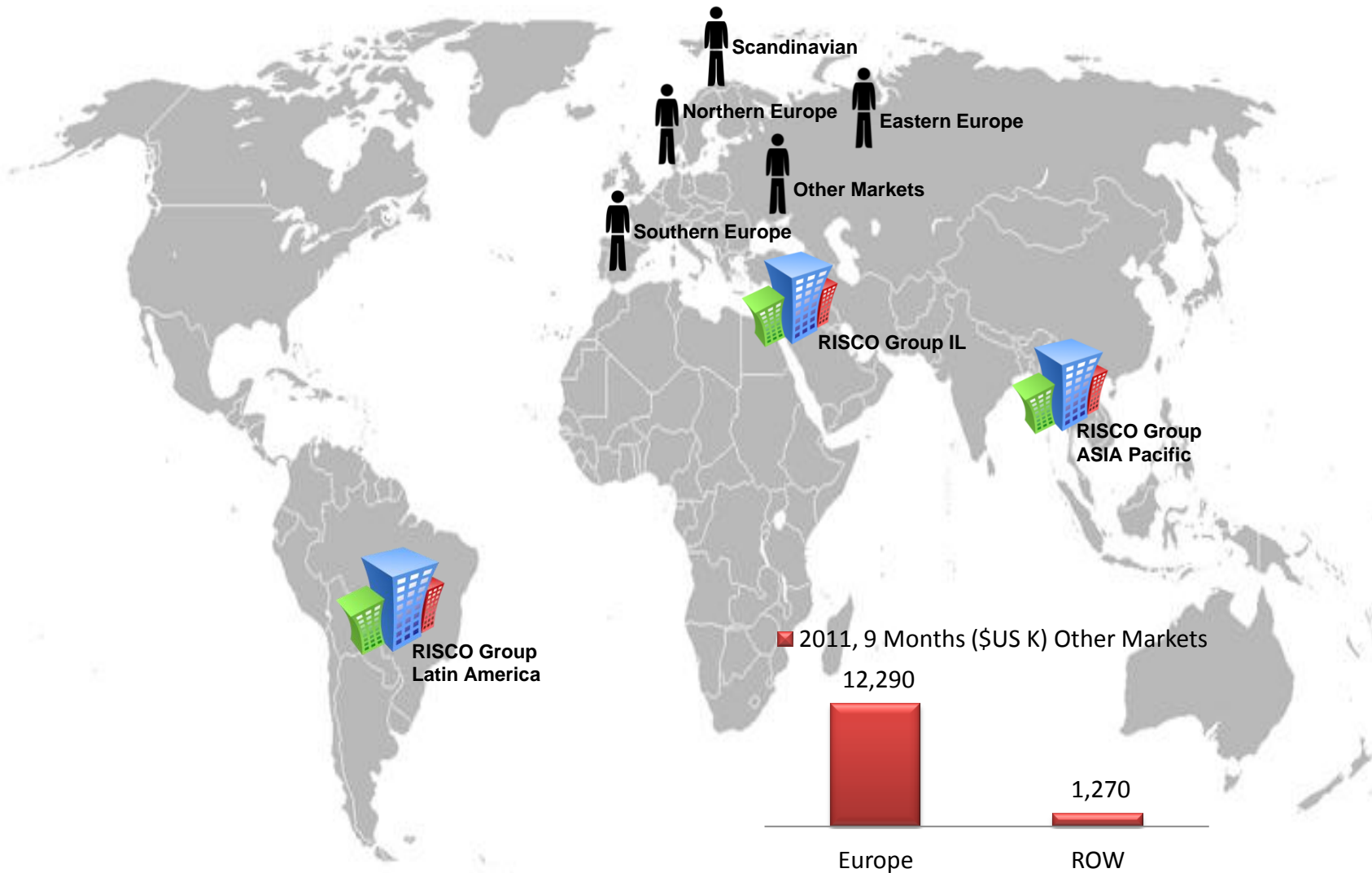
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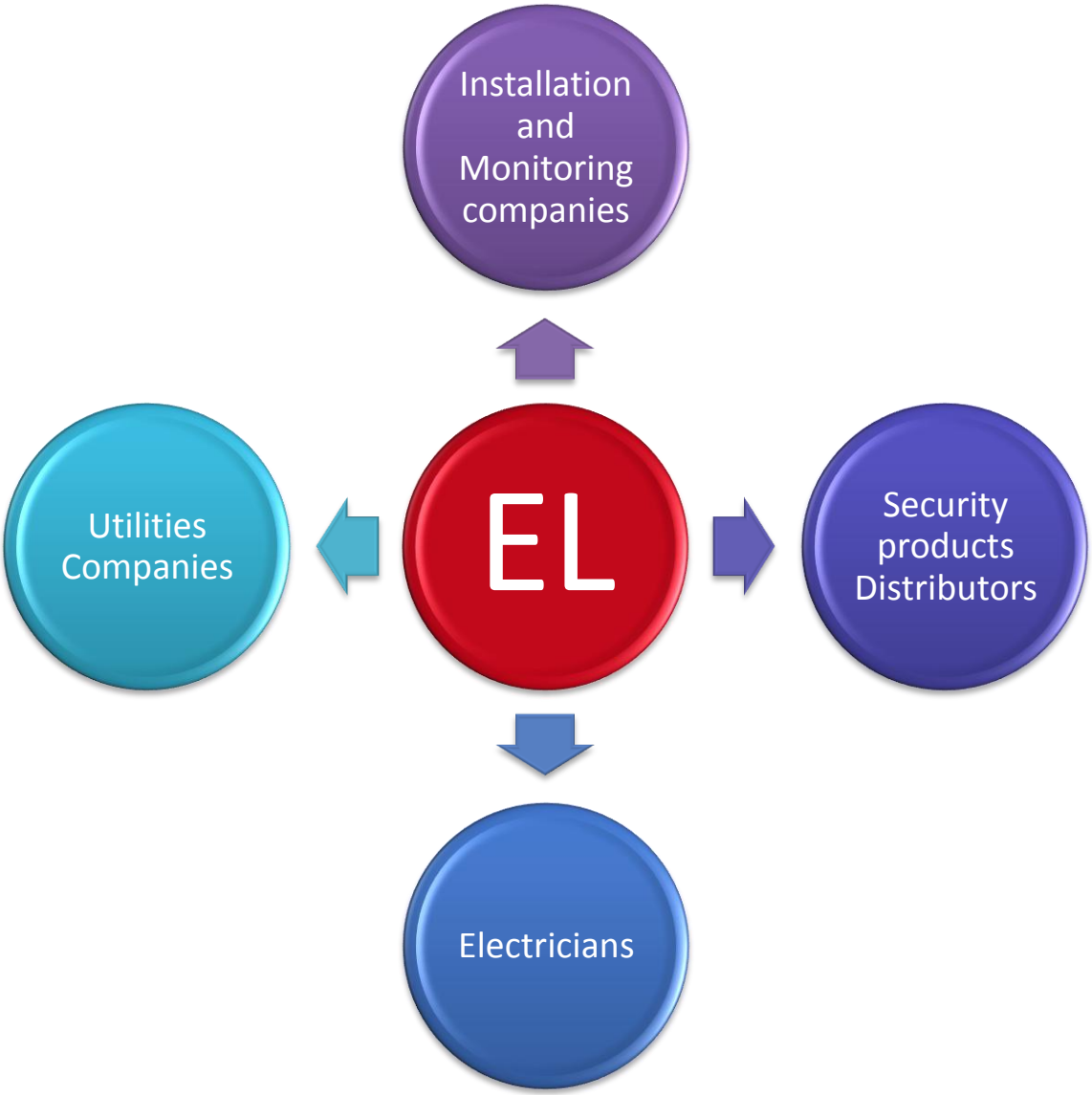
Sources: Freedonia

Electronics-line.com

# New Global Sales Structure



# Targeted Customers



# EL Competitive Advantages



# Agenda

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# The Business Plan (implementation beginning April 2010)

- Reorganization within the company:
    - Focus on European markets;
    - Implementing a new professional sales structure in Europe.
  - Complete development of its new product line (ILAS, iConnect and CommPact)
  - Outsource production activity;
  - Utilize operational synergies with RISCO Group and reduce overhead costs:
    - Production;
    - Distribution (UK and IL mainly);
    - Management.
  - Stop selling 3<sup>rd</sup> party products (non EL IP products).
- ***Increase profitability, cash flow and the company value!***

# Income Statements

US\$ in thousands

	Jan. 1 <sup>st</sup> – Dec. 31 <sup>st</sup> 2010 Audited	Jan. 1 <sup>st</sup> – Sep. 30 <sup>th</sup> 2010 Reviewed	Jan. 1 <sup>st</sup> – Sep. 30 <sup>th</sup> 2011 Reviewed
Revenues	26,717	21,832	18,420
<b>Gross profit</b>	<b>8,379 31%</b>	<b>6,948 32%</b>	<b>6,464 35%</b>
Research and development	1,884	1,369	1,329
Selling and marketing	3,840	2,797	2,112
General and administrative	3,167	2,533	1,526
<b>Operation Profit (Loss) before Other Exp.</b>	<b>(512)</b>	<b>249</b>	<b>1,497</b>
Other Expenses*	4,450	2,029	303
Financial & Tax Exp.	889	707	214
<b>Net Profit (loss)</b>	<b>(5,851)</b>	<b>(2,487)</b>	<b>980</b>

\*"other operating expenses" in EL's financial statement

# Income Statements – Q3 2010 vs. Q3 2011

US\$ in thousands

	Third Quarter 2010	Third Quarter 2011
Revenues	7,640	6,995
<b>Gross profit</b>	<b>2,550 33%</b>	<b>3,004 43%</b>
Research and development	407	472
Selling and marketing	645	757
General and administrative	971	598
<b>Operation Profit before Other Exp.</b>	<b>527</b>	<b>1,177</b>
Other Expenses*	958	209
Financial & Tax Exp (Income).	402	(40)
<b>Net Profit (loss)</b>	<b>(833)</b>	<b>1,008</b>

\*"other operating expenses" in EL's financial statement

# Income Statement 2011

US\$ in thousands

		2011 Forecast
Revenues	Ca.	24,000
<b>Gross Profit</b>	<b>Ca.</b>	<b>8,800</b>
		<b>36.6%</b>
<b>Operating profit</b>	<b>Ca.</b>	<b>2,000</b>
Other expenses, Fin. and Tax	Ca.	800
<b>Net Income</b>	<b>Ca.</b>	<b>1,200</b>

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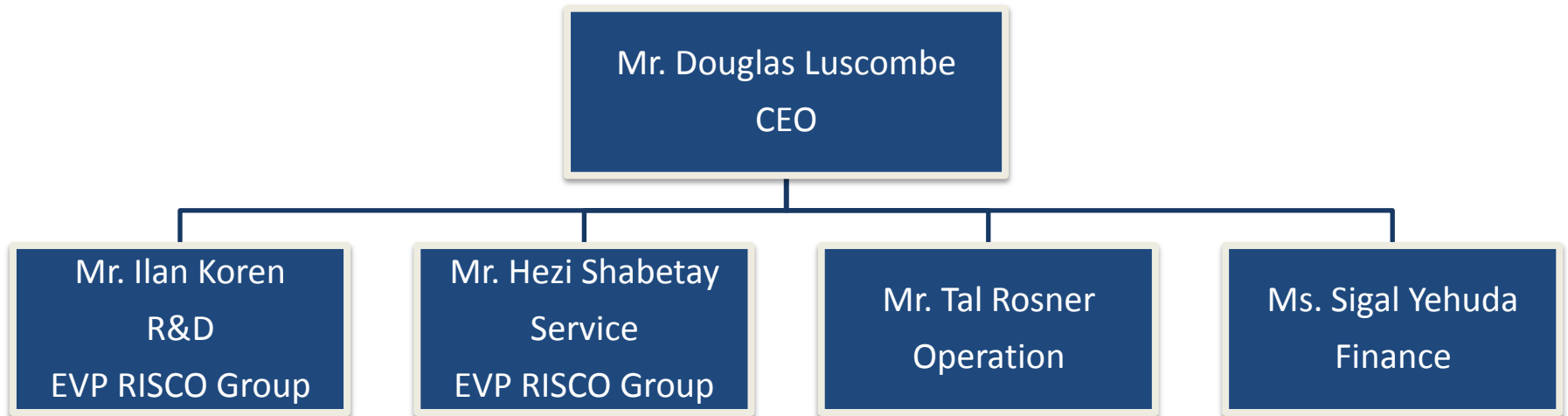
# What did we have so far?

- In March 2010 RISCO Group took over control in EL;
- Restructuring measurements started April 2010 and are in process;
- In March 2011 we increased EL's capital in order to strengthen its Balance Sheet;
- Turnaround to profit at 3<sup>rd</sup> quarter 2011.

# Investment case

- EL is a technological leader with an established market position;
- High synergies with RISCO Group in administration, distribution and production;
- Implemented a new professional sales structure in Europe - EL's major market;
- EL is positioned to gain growing market share;
- EL's public listing is a valuable arena for future M&A transactions in order to build a leading player.

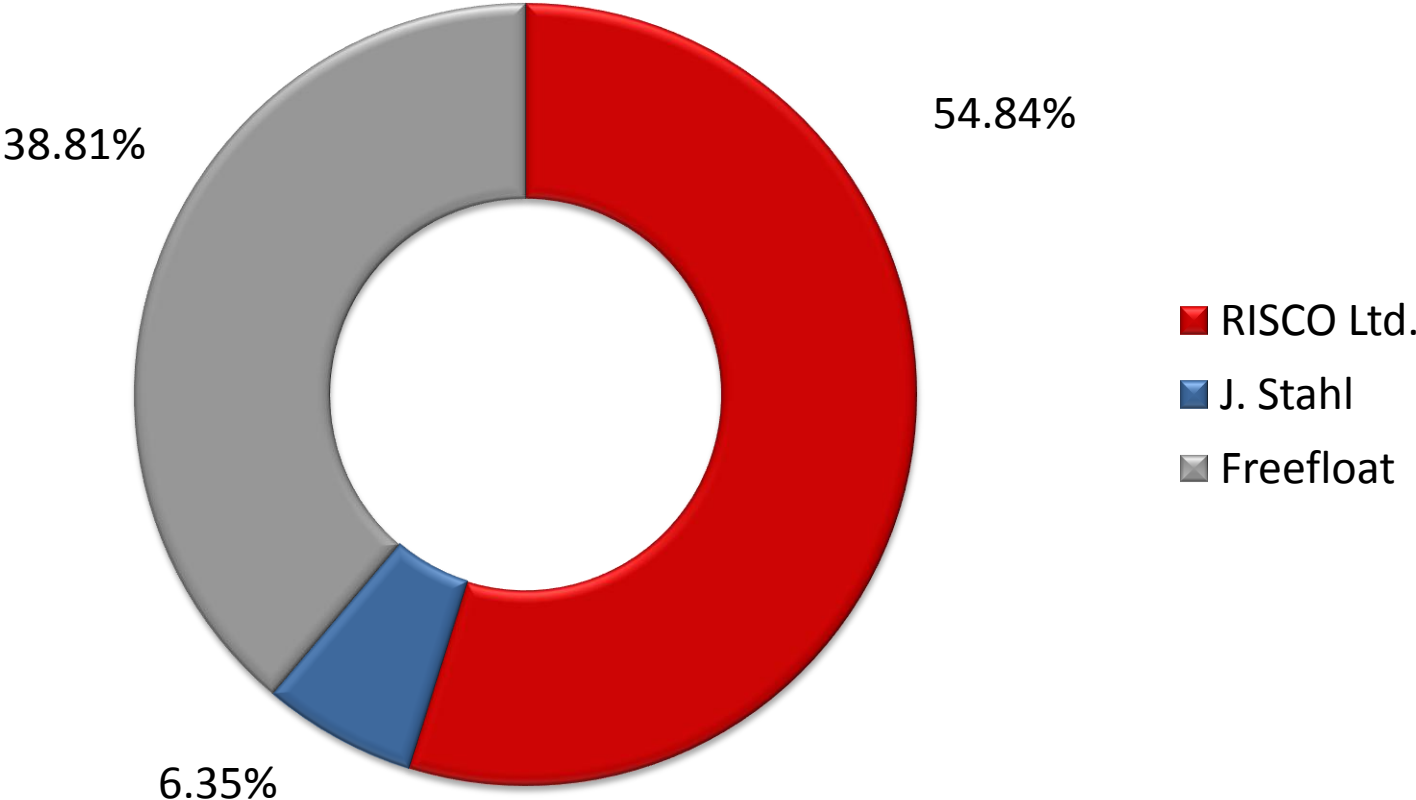
# Management



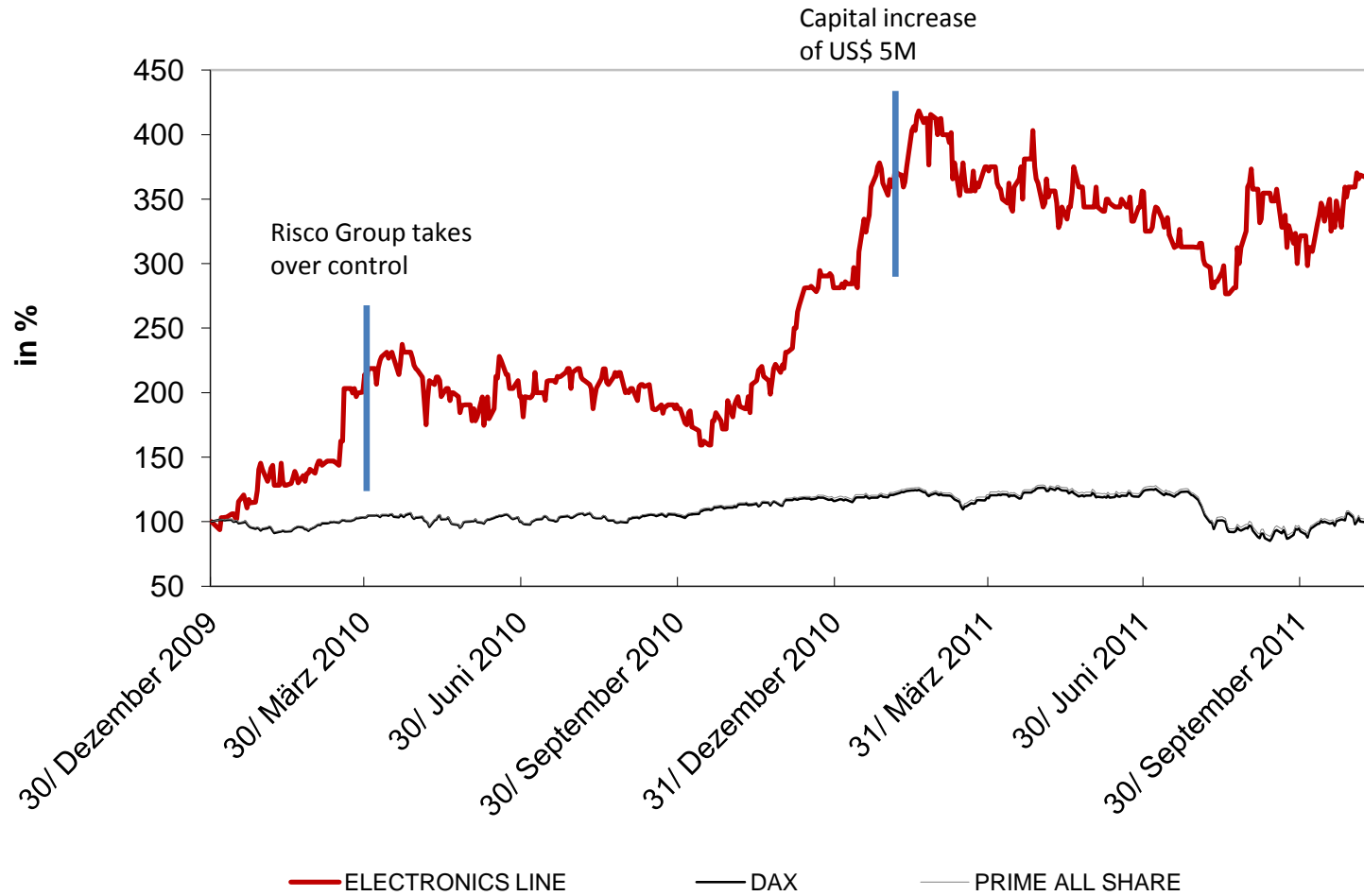
# Board of Directors



# Shareholders structure as of Nov. 1<sup>st</sup> 2011



# EL share price development



# EL stock information

Listed	Frankfurt Stock Exchange (Prime Standard)
ISIN and German share ID	IL0010905052, WKN A0B5R7
Reuters, Bloomberg	E28.DE, ELN GY
Number of shares outstanding	13,712,848
Type of shares	Ordinary shares
Par value	NIS 5,00 par value each
Issued share capital	NIS 68,564,240
Authorized share capital	NIS 250,000,000
End of financial year	31 December
Registered office	Israel
Auditors	Kost, Forer, Gabbay & Kasierer, a member of E&Y Global
Designated Sponsoring & Research	BankM
Prime Standard listing	December 2005 – June 2009 and since August 2011

# Financial calendar

November 21, 2011	2011 Third quarter financial report
November 21-23 2011	German equity forum, Frankfurt
April 30, 2012	2011 Annual financial report
May 31, 2012	2012 First quarter financial report
August 31, 2012	2012 Second quarter financial report

# Contact

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