

Company	SerVision plc
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("SerVision" or the "Company")

Issue of Equity

SerVision (AIM:SEV), the AIM listed developer and manufacturer of digital security systems, is pleased to announce that it has completed a conditional placing of 9,062,500 new ordinary shares of 1 pence each in the Company (the "**Placing Shares**") at a price of 8 pence per Placing Share (the "**Placing Price**"), raising £725,000 (before expenses) for the Company (the "**Placing**"). The net proceeds of the Placing will be used for general working capital purposes and to promote the commercialisation of the Company's product base. The Placing has been arranged by Allenby Capital Limited ("**Allenby Capital**").

A total of £625,000, representing the issue of 7,812,500 Placing Shares to new and existing investors (the "**Firm Placing Shares**"), has been raised pursuant to the Company's existing share authorities. The issue of the Firm Placing Shares is conditional only upon admission of the Firm Placing Shares to trading on AIM ("**First Admission**"). Application has been made for the Firm Placing Shares, which will be issued paid up and rank *pari passu* with all existing ordinary shares of 1 pence each in the capital of the Company, to be admitted to trading on AIM. It is expected that First Admission will take place on or around 4 February 2011.

A total of £100,000, representing the issue of 1,250,000 Placing Shares to Gidon Tahan (Chairman and CEO of the Company) (the "**Conditional Placing Shares**"), is conditional upon shareholder approval through the passing of certain resolutions to be proposed at a general meeting of the Company to be convened and admission of the Conditional Placing Shares to trading on AIM ("**Second Admission**"). The Company will despatch in due course a circular to shareholders of SerVision convening a general meeting of the Company.

Following completion of the Placing there will be 51,188,602 ordinary shares of 1 pence each in the Company in issue and Gidon Tahan will be interested in 8,782,612 ordinary shares of 1 pence each in the Company representing 17.16 per cent. of the enlarged issued share capital of SerVision.

The Placing Shares will represent 17.70 per cent. of the enlarged issued share capital of SerVision. The Placing Price represents a discount of 25.6 per cent. to the closing mid-market price of an existing issued ordinary share of 10.75 pence on 31 January 2011, being the last practicable date prior to this announcement.

The total enlarged issued share capital of SerVision following admission of the Firm Placing Shares to trading on AIM will be 49,938,602 ordinary shares of 1 pence each in the capital of the Company. Until the Second Admission, the above figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Disclosure and Transparency Rules.

Trading update

The Board of SerVision remain confident about the prospects of the Company and are encouraged by the distribution contracts which were signed in 2010 (including Vision Techniques in the UK, NSS Sp. Z.o.o. in Poland and SYM Servicios Integrales S.A. in the Republic of Mexico). New contracts were secured in 2010 in the UK, Europe, South America and Asia to supply systems for buses, cash-in-transit, taxis, airports and emergency services. The Company remains in discussions on these projects as well as other new distribution agreements. In addition whilst the main use of SerVision's products is currently in the security industry the Company is increasing its presence in the residential sector with cellular operators showing an increased interest in SerVision's patented compression technology.

The Company anticipates revenues for the year ended 31 December 2010 being broadly in line with revenue generated in the year to 31 December 2009 (US\$ 5.37 million) and the net profit to be an increase on the net profit generated in the year to 31 December 2009 (US\$193,000). The Board remains confident of the Company's outlook and looks forward to building upon the solid progress that has been made in 2010.

On 17 May 2010, the Company announced that its wholly owned subsidiary, SerVision Limited, had entered into a manufacturing agreement with Rich Wonder Technology Limited ("**Rich Wonder**") for Rich Wonder to manufacture all of SerVision's narrow band-width video gateway products ("**SerVision's Products**") to be sold in China and other authorised territories (the "**Agreement**"). Under the Agreement the consideration payable to SerVision was US\$2.0 million of which US\$600,000 has been settled through payment of cash to SerVision, with the balance being settled through the supply of 3,730 of SerVision's MVG 400 units (the "**Stock**") (which at the manufacturing cost of US\$375/unit will have a value of US\$1.4 million). The US\$1.4 million of revenue in relation to the Stock was recognised by the Company in its results for the six months ended 30 June 2010. The production line is currently being established in China and SerVision is undertaking quality control on the production line of the Stock manufacturer. Subject to satisfactory completion of the production line, the Board expects to start receiving

delivery of the Stock in due course.

Gidon Tahan, Chairman and CEO of SerVision, commented "We are pleased to have completed this oversubscribed placing, which is a further positive sign that our current shareholders and new investors see the benefits that our technology can offer. With the launch of our CVG-M series of products in 2010, designed for use in smaller vehicles such as taxis, we have entered into a market that we view with significant growth potential. We are in negotiations with a view to entering into new distribution agreements in some key territories, including the USA, and hope to be in a position to provide an update to our shareholders in the coming months should such negotiations progress successfully."

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