



perceptron

Company Profile

Perceptron, Inc. (NASDAQ: PRCP) was founded in 1981 as a supplier of high technology, laser-based, non-contact measurement systems for industrial manufacturers to reduce process variation that occurs in the manufacturing process. Today Perceptron has two diverse lines of business – the Industrial Business Unit and the Commercial Products Business Unit.

Industrial Business Unit

The Industrial Business Unit includes several product offerings that are used by manufacturers of complex assembled parts to reduce variation that occurs in the manufacturing process, improving quality and reducing cost.

AutoGauge® systems are used in the assembly and fabrication plants of many of the world's leading auto manufacturers and their suppliers to contain, correct and control the quality of body structures. These systems provide automotive manufacturers the flexibility to measure multiple vehicle styles or part types on a single manufacturing line while maintaining their high-speed production rates.

AutoGuide® robot guidance systems utilize Perceptron sensors and measurement technology to improve the accuracy of robotic assembly operations. AutoGuide® systems calculate the difference between theoretical and actual relationships of a robot and the part being assembled and send compensation data, in six axes, to the robot. Robotic applications supported by AutoGuide® include windshield insertion, roof loading, hinge mounting, door attachment, sealant application and many others.

AutoScan® systems provide a fast, non-contact method of gathering data for the analysis of the surface contour of a part or product such as automotive closure panels including doors, deck lids, and hoods. The AutoScan® system uses robot-mounted sensors to collect the "point cloud data" required for contour analysis and dimensional feature extraction. This allows for the part's shape to be automatically scanned and compared to a computer-generated design and to report specific measurements on the part.

AutoFit® systems are used in automotive manufacturing plants to contain, correct and control the fit of exterior body panels. The system automatically measures, records and displays the gap and flushness of parts most visible to the automobile consumer such as gaps between front and rear doors, hoods and fenders, deck lids and rear quarter panels. AutoFit® has the ability to measure vehicles while in motion along the assembly line or in a stationary position.

ScanWorks®, ScanTrak®, and WheelWorks® are sold as components to other companies who combine them with their own products and sell to the end customer. ScanWorks® allows its users to add scanning capabilities to their machines or systems for use in reverse engineering and inspections. WheelWorks® offers a fast, accurate, non-contact method of measuring wheel position for use in automated wheel alignment machines in automotive assembly plants.

Value Added Services - include training, field service, launch support services, consulting services, maintenance agreements, repairs and software tools.



Commercial Products Business Unit

The Commercial Products Business Unit represents an exciting growth opportunity for the Company. Perceptron's first commercial product was initially launched in the spring of 2007. Perceptron sells visual inspection products and a line of accessories through strategic partners. Our visual inspection products are used by plumbers, mechanics, electricians, heating & cooling contractors, and construction trades people along with do-it-yourself homeowners. Our products are used to easily perform visual inspections in hard to reach and difficult to see areas without the need for time consuming and costly disassembly or tear out.



QUICK FACTS

(as of 3/31/10)

WEBSITE: WWW.PERCEPTRON.COM

NASDAQ SYMBOL: PRCP

MARKET CAP: \$38.9M

STOCK PRICE: \$4.35

SHARES OUTSTANDING: 9.0M

52-WEEK PRICE RANGE: \$2.85-\$5.15

FISCAL YEAR END: JUNE 30

BOOK VALUE: \$6.06

CASH PER SHARE: \$2.34

INVESTMENT HIGHLIGHTS

- STRONG BALANCE SHEET
 - \$21 MILLION IN CASH, SHORT TERM INVESTMENTS AND NO DEBT
- FY10 COSTS REDUCED BY \$5M
- EXPERIENCED MANAGEMENT TEAM
- SIGNIFICANT MARKET OPPORTUNITY FOR EXISTING PRODUCTS AND NEW PRODUCTS BEING DEVELOPED
- AUTOMATED SYSTEMS REVENUES NOT DEPENDENT ON CUSTOMER UNIT VOLUME
- GLOBAL AUTOMOTIVE CAPABILITY – THE ONLY COMPANY IN OUR INDUSTRY WITH GLOBAL REACH ACROSS ALL PRODUCTS

EXECUTIVE OFFICERS

HARRY T. RITTENOUR
PRESIDENT & CHIEF EXECUTIVE OFFICER

JOHN H. LOWRY III
VICE PRESIDENT & CHIEF FINANCIAL OFFICER

MARK S. HOEFING
SENIOR VICE PRESIDENT,
INDUSTRIAL BUSINESS UNIT

RICHARD PRICE
VICE PRESIDENT,
COMMERCIAL PRODUCTS BUSINESS UNIT

Income Statement

Third Quarter Fiscal Year 2010

(in \$000 except per share amounts)	3Q10	3Q09
Revenues	\$13,544	\$13,195
Gross profit	\$4,994	\$4,650
Engineering R&D	\$1,762	\$1,881
Sales General & Administrative	\$3,591	\$4,099
Profit/(loss) before tax	\$ (327)	\$(3,934)
Basic earnings/(loss) per share	\$ (0.01)	\$(0.31)

Please refer to the press release dated May 12, 2010 and the Company's quarterly financial report filed on Form 10-Q with the Securities and Exchange Commission on May 14, 2010.

The Company operates its business in two segments, the Industrial Business Unit ("IBU") and the Commercial Products Business Unit ("CBU"). The Company's reportable segments are strategic business units that have separate management teams focused on different marketing strategies.

The Company continued to make steady progress in its financial results in the third quarter of fiscal 2010. Overall sales increased for the fourth consecutive quarter and also exceeded sales in the third quarter of last year. The third quarter of fiscal 2009 was the first quarter in which sales were negatively impacted by the decline in the automotive industry and the economy in general. IBU sales were the highest since the second quarter of fiscal year 2009, while CBU sales were the highest since the third quarter of fiscal 2009. Backlog improved to \$20.5 million, the highest it has been in eighteen months. Bookings were at the same level as in the second quarter this fiscal year and the highest since the first quarter of fiscal year 2009. While the Company had a small operating loss for the quarter, it was the third straight quarter that the operating loss was half the amount in the preceding quarter. On a year-to-date basis, compared to last fiscal year, the Company reduced its net loss by \$300,000, to \$1.4 million, despite experiencing a revenue decline of approximately \$16 million in the first two quarters.

Balance Sheet

(in \$000)	3/31/10	3/31/09
Cash and S.T. Investments	\$20,915	\$24,193
Working Capital	\$37,767	\$42,491
Total assets	\$62,129	\$69,480
Total liabilities	\$7,917	\$13,077
Total stockholders' Equity	\$54,212	\$56,403

The Company had an operating loss of \$359,000 in the third quarter of fiscal 2010. The loss was \$354,000, or 50%, lower than the second quarter loss of \$713,000. The second quarter operating loss in fiscal 2010 decreased by \$751,000, or 51%, from the first quarter operating loss in fiscal 2010. The third quarter net loss of \$131,000 was 68% less than the second quarter net loss of \$414,000, and the second quarter net loss was 49% lower than the first quarter fiscal 2010 net loss of \$813,000.

Third Quarter Highlights and Outlook:

- Gross profit percent improved to 36.9% from 35.2% a year ago, largely due to cost cutting actions undertaken by the Company in January and July 2009.
- Moved into a larger office in Shanghai, China and in the process of adding seven additional engineers to support growing business there.
- Signed three new CBU customers in three new market segments. The Company now has a strategic partner in each of the four market segments - mechanics, plumbers, electricians and construction - that the Company initially targeted for its visual inspection products. Two new products are expected to begin shipping in the fourth quarter of this fiscal year.
- Increased investment in new IBU product development by utilizing contract engineering resources to accelerate the timing that new products will be brought to market. The Company expects to be able to announce a new IBU product release later this calendar year.
- Financial results in the fourth quarter of this fiscal year are expected to be improved over the fourth quarter of fiscal year 2009 and also continue to show quarter-over-quarter sequential improvement over each of the previous quarters this fiscal year.
- The Company expects to return to profitability in the near future.

Contacts

HEADQUARTERS

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INVESTOR RELATIONS

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Competitive Advantages

Commercial Products Business Unit:

- Low-cost, high-tech products
- First to market
- Large market size
- Established strategic partners



Industrial Business Unit:

- Global reach and capability
- Established reputation as high quality, excellent service provider
- Broadest product offerings in our market segment

