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INVISION TECHNOLOGIES INC
Form DEFA14A
April 23, 2004

SCHEDULE 14A INFORMATION

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO.)

Filed by the Registrant []

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Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Section 240.14a-12

INVISION TECHNOLOGIES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required
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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

A. ON APRIL 22, 2004, INVISION ISSUED THE FOLLOWING PRESS RELEASE REGARDING ITS FIRST QUARTER 2004 FINANCIAL RESULTS:

(INVISION TECHNOLOGIES, INC. LOGO)

NEWS RELEASE

Investor Contact: Laura Graves
Director, Investor Relations
510-739-2448

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Brunswick Group
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INVISION TECHNOLOGIES REPORTS
FIRST QUARTER 2004 FINANCIAL RESULTS

NEWARK, CA (APRIL 22, 2004) - InVision Technologies, Inc. (NASDAQ: INVN) today reported financial results for the first quarter ended March 28, 2004. Total company revenues in the first quarter of 2004 were \$76.9 million compared to revenues of \$165.2 million in the first quarter of 2003.

Net income on a GAAP basis was \$5.2 million in the first quarter of 2004. InVision's diluted earnings per share (EPS) calculation for the first quarter 2004 reflects the impact of the contingent conversion provision related to the \$125 million of convertible senior notes issued in 2003. Under this provision, InVision's GAAP EPS was \$0.25 per diluted share. This compares to net income of \$34.4 million, or \$1.87 per diluted share, for the first quarter of 2003.

Net income in the first quarter of 2004 also includes a pre-tax charge of \$1.8 million related to transaction expenses associated with the company's pending acquisition by General Electric Company (NYSE: GE). Earnings on a pro forma basis excluding both the effect of the contingent conversion provision and

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the acquisition-related costs were \$0.33 per diluted share in the first quarter of 2004. A reconciliation of pro forma net income and EPS to net income and EPS on a GAAP basis is provided in Schedule 1 following the condensed consolidated balance sheets.

Gross margin in the first quarter of 2004 was 37% compared to 44% in the first quarter of 2003. As of March 28, 2004, InVision had \$284.6 million in cash, cash equivalents and short-term investments. Total company backlog was \$197.2 million.

PERFORMANCE BY REPORTABLE SEGMENT

InVision has two reportable segments: explosives detection systems (EDS) and non-destructive testing (NDT) systems. The EDS segment showed solid performance in the first quarter of 2004 with revenues of \$55.1 million and income from operations of \$9.8 million. EDS service revenues grew to \$16.1 million during the quarter, representing an 89% increase compared to the same quarter of 2003. The NDT segment posted revenues of \$16.2 million and a loss from operations of \$200,000 in the first quarter of 2004. A reconciliation of reportable segment revenues and income from operations to consolidated

InVision Technologies, Inc.

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revenues and income from operations is provided in Schedule 2 following the condensed consolidated balance sheets.

MANAGEMENT SUMMARY

"InVision reported solid results in the first quarter of 2004, supported by continued strength in the EDS segment," said Sergio Magistri, Ph.D., InVision President and Chief Executive Officer. "We continue to see very strong support for InVision products, both in the domestic market, as evidenced by the recent product order from the Transportation Security Administration, as well as in the international markets, such as the recent announcement of the company's first order from Thailand."

OPERATIONAL HIGHLIGHTS

- General Electric announced that, subject to regulatory and InVision stockholder approvals, GE has agreed to acquire InVision in an all-cash transaction valued at approximately \$900 million, or \$50 per share.
- The Transportation Security Administration (TSA) of the U.S. Department of Homeland Security (DHS) ordered CTX 9000 DSi automated EDS for integration into the baggage handling systems of certain airports in the United States. The delivery order is valued at \$105 million, with an additional performance incentive of \$3 million payable by March 2005.
- The company reported in April 2004 the receipt of an order for 26 CTX 9000 DSi automated EDS, accessories and service for the new Bangkok International Airport in Thailand. This first order from Thailand provides further evidence of InVision's increasing presence in Asia. Bangkok International will be the first international airport to provide 100% in-line screening of checked baggage.
- InVision announced that its subsidiary, Yxlon, entered into a contract for the delivery and installation of XES 3000 X-ray diffraction based EDS at Rhein-Main Airport in Frankfurt, Germany. The value of the contract is approximately \$11 million with an option to purchase additional systems, options and maintenance for a potential total contract value of up to approximately \$18 million.

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- The company continued to participate in the TSA's evaluation program to assess the viability of existing EDS technology for inspection of break bulk air cargo. The company believes that computed tomography (CT) technology has great potential to address this on-going concern in our nation's approach to aviation security.
- The company is currently in negotiations with the TSA and Boeing regarding service contract renewal. The company anticipates no disruption of service as a result of these discussions.

InVision Technologies, Inc.

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BUSINESS OUTLOOK

The company is pleased with the federal government's indicated level of commitment to fund in-line EDS in larger airports, based on InVision's recent TSA order announcement and the latest TSA's Letter of Intent (LOI) funding program announcements. To date, the TSA has officially announced grants of \$960 million under the LOI program to carry out construction retrofitting in nine domestic airports. InVision believes the overall need for in-line EDS at airports is considerably larger based on published TSA assessments and individual airport needs.

President Bush's proposed 2005 budget includes over \$890 million, a 20% increase over the 2004 budget, to support aviation security and other transportation security activities. This includes funds to improve the integration of EDS equipment into individual airports' baggage processing systems to increase security effectiveness and promote greater efficiency. Specifically, the proposed TSA budget includes \$250 million for physical modification of commercial airports for the purpose of installing in-line EDS equipment and \$150 million for procurement of checked baggage EDS. The budget also allocates \$45 million for research and development of enhancement and next generation EDS.

INVISION TECHNOLOGIES, INC. WILL CONDUCT A CONFERENCE CALL TO DISCUSS THESE RESULTS AND INVISION'S OUTLOOK FOR THE FUTURE AT 2:00 P.M. (PT) / 5:00 P.M. (ET) TODAY. TO LISTEN, VISIT WWW.INVISION-TECH.COM AND FOLLOW THE LINKS TO THE WEBCAST. A REPLAY OF THE WEBCAST WILL BE AVAILABLE SHORTLY AFTER THE PRESENTATION AND WILL REMAIN AVAILABLE FOR A LIMITED TIME.

ABOUT INVISION

InVision Technologies, Inc. and its subsidiaries develop, manufacture, market and support explosives detection systems based on advanced computed tomography technology, X-ray diffraction and quadrupole resonance. The company is the leading supplier of explosives detection systems to the U.S. government for civil aviation security. InVision is headquartered in Newark, CA. Additional information about the company can be found at www.invision-tech.com.

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, including those regarding InVision's "Operational Highlights" and "Business Outlook"; InVision's planned acquisition by GE; InVision's belief regarding the value of delivery orders; InVision's belief that CT technology has great potential to address the on-going concern of domestic break bulk air cargo security; InVision's belief regarding the overall need for in-line EDS; and InVision's anticipation that there will be no disruption of its service as a result of discussions with the TSA and Boeing regarding the renewal of its service contract. These forward-looking statements are subject to material risks and uncertainties that

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could cause actual results to differ materially from those in the forward-looking statements. Investors should consider important risk factors, which include: the risk that the company is not selected to provide service for its units; the risk that the company's contract to service its units in the United States is not renewed or is renewed on financially less favorable terms; the risk that CT

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technology is not used to screen break bulk air cargo due to the certification or approval of other technology; the risk that the TSA or other customers utilize competing products or technologies; the risk of the unavailability or reduction of U.S. and foreign governmental funding, the cancellation or decrease in orders by the U.S. government and foreign airport authorities, or lower than expected service revenues; the risk that InVision does not meet its anticipated delivery schedules due to the inability to obtain in a timely manner components necessary to build its EDS units or to timely manufacture its EDS units due to unforeseen difficulties with its operations; the risk that we will not receive the regulatory and stockholder approvals required to complete the acquisition of InVision by GE; and other risks detailed under the caption "Risk Factors" in InVision's most recent reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission. InVision is under no obligation, and expressly disclaims any obligation, to update or alter its forward-looking statements whether as a result of new information, future events or otherwise.

ADDITIONAL INFORMATION ABOUT THE PROPOSED ACQUISITION AND WHERE YOU CAN FIND IT

In connection with the proposed acquisition by GE, InVision has filed a proxy statement and other relevant materials with the Securities and Exchange Commission (SEC). When the proxy statement has completed review by the SEC, it will be mailed to all holders of InVision common stock. BEFORE MAKING ANY VOTING DECISION WITH RESPECT TO THE PROPOSED ACQUISITION, INVESTORS AND STOCKHOLDERS OF INVISION ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. The proxy statement and other relevant materials, and any other documents filed by InVision with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov. In addition, investors and stockholders of InVision may obtain free copies of the documents filed with the SEC by contacting InVision Investor Relations at (510) 739-2511 or InVision Technologies, Inc., 7151 Gateway Boulevard, Newark, CA 94560. You may also read and copy any reports, statements and other information filed by InVision with the SEC at the SEC public reference room at 450 Fifth Street, N.W. Room 1200, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website for further information on its public reference room.

InVision and its executive officers and directors may be deemed to be participants in the solicitation of proxies from the InVision stockholders in favor of the proposed acquisition. Certain executive officers and directors of InVision have interests in the acquisition that may differ from the interests of stockholders generally, including acceleration of vesting of stock options and continuation of director and officer insurance and indemnification. These interests are described in the proxy statement.

Note to Editors: CTX 9000 DSi, InVision, Yxlon, Quantum and Inovec are trademarks of InVision Technologies, Inc. or its subsidiaries.

(tables to follow)

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INVISION TECHNOLOGIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE DATA)
(UNAUDITED)

	THREE MONTHS ENDED	
	MARCH 28, 2004	MARCH 30, 2003
	-----	-----
Revenues:		
Product revenues	\$ 53,945	\$ 152,814
Service revenues	20,077	8,909
Contract research and development revenues	2,873	3,445
	-----	-----
Total revenues	76,895	165,168
	-----	-----
Cost of revenues:		
Product costs	33,603	84,674
Service costs	12,173	5,000
Contract research and development costs	2,284	2,136
	-----	-----
Total cost of revenues	48,060	91,810
	-----	-----
Gross profit	28,835	73,358
	-----	-----
Operating expenses:		
Research and development	6,261	7,355
Selling, general and administrative	13,363	9,062
	-----	-----
Total operating expenses	19,624	16,417
	-----	-----
Income from operations	9,211	56,941
Interest expense	(1,293)	(42)
Interest and other income, net	836	685
	-----	-----
Income before provision for income taxes	8,754	57,584
Provision for income taxes	3,575	23,177
	-----	-----
Net income	\$ 5,179	\$ 34,407
	=====	=====
Net income per share:		
Basic	\$ 0.30	\$ 2.02
	=====	=====
Diluted	\$ 0.25	\$ 1.87
	=====	=====
Weighted average shares outstanding:		
Basic	17,272	17,067
Diluted	22,586	18,379

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INVISION TECHNOLOGIES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (IN THOUSANDS, EXCEPT SHARE DATA)
 (UNAUDITED)

	MARCH 28, 2004 -----	DECEMBER 31, 2003 -----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 74,891	\$ 182,382
Short-term investments	209,719	94,557
Accounts receivable, net	72,062	56,951
Inventories	74,372	78,894
Deferred income taxes	14,392	14,283
Other current assets	7,790	5,666
	-----	-----
Total current assets	453,226	432,733
Property and equipment, net	10,968	11,605
Intangible assets, net	34,927	35,452
Other assets	6,276	6,278
	-----	-----
Total assets	\$ 505,397 =====	\$ 486,068 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 18,689	\$ 13,761
Accrued liabilities	35,419	35,058
Deferred revenue	17,569	13,277
Short-term debt	2,600	5,581
Current maturities of long-term obligations	261	263
	-----	-----
Total current liabilities	74,538	67,940
	-----	-----
Long-term obligations	127,126	127,244
Deferred income taxes	168	203
	-----	-----
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized; no shares issued and outstanding	--	--
Common stock, \$0.001 par value, 60,000,000 shares authorized; 18,138,000 and 17,782,000 shares issued; 17,451,000 and 17,095,000 shares outstanding	18	18
Additional paid-in capital	182,069	173,968
Deferred stock compensation expense	(237)	(271)
Accumulated other comprehensive loss	(555)	(125)
Retained earnings	136,961	131,782

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Treasury stock, at cost (687,000 shares)	(14,691)	(14,691)
	-----	-----
Total stockholders' equity	303,565	290,681
	-----	-----
Total liabilities and stockholders' equity	\$ 505,397	\$ 486,068
	=====	=====

InVision Technologies, Inc.

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SCHEDULE 1

PRO FORMA NET INCOME CALCULATION (1)
(IN THOUSANDS, EXCEPT SHARE DATA)

	DILUTED EPS	NET INCOME AFTER TAX	SH
	-----	-----	---
Reported diluted EPS, net income as adjusted for interest expense on convertible debt, and reported diluted shares outstanding	\$ 0.25	\$ 5,734	
Impact of contingent conversion, net of tax	--	\$ (555)	
Diluted EPS before adjustment for contingent conversion, reported net income, and diluted shares outstanding before adjustment for contingent conversion	0.28	\$ 5,179	
Impact of GE acquisition costs, net of tax	--	\$ 1,065	
Pro forma EPS, net income and diluted shares outstanding	\$ 0.33	\$ 6,244	

1) As a result of the pending acquisition of InVision Technologies, Inc. by General Electric Company, and the dilution resulting from the triggering of the contingent conversion-related provisions of our 3% convertible senior notes due 2023, our management believes pro forma operating results are a useful measure that facilitates period-to-period operating comparisons. Pro forma operating results (a) include the interest expense, net of tax, of \$555,000 for our 3% convertible senior notes due 2023, which was excluded from the computation of our GAAP diluted EPS, (b) exclude the related increase of 3,906,250 in diluted shares due to the contingent conversion feature of the notes and (c) exclude expenses, net of tax, of \$1.1 million related to the pending acquisition by General Electric. Pro forma operating results are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similar measures presented by other companies. Pro forma operating results should not be considered in isolation or as a substitute for operating results prepared in accordance with GAAP. We report pro forma operating results to provide investors with an alternative method for assessing our operating results.

InVision Technologies, Inc.

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SCHEDULE 2

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FIRST QUARTER 2004 SEGMENT INFORMATION	EDS ---	NDT ---	ALL OTHER -----
(IN THOUSANDS, EXCEPT PERCENTAGE DATA)			
Revenues:			
Product revenues	38,957	12,955	2,033
Service revenues	16,086	3,261	730
Contract research and development revenues	--	--	2,873
Intercompany revenues	97	--	--
	-----	-----	-----
Total revenues	55,140	16,216	5,636
	=====	=====	=====
Income (loss) from operations	9,799	(223)	(365)
	=====	=====	=====
Income (loss) from operations as a percentage of total revenues	17.8%	(1.4%)	(6.5%)
	=====	=====	=====

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- B. ON APRIL 22, 2004, INVISION PRESENTED THE FOLLOWING SLIDES IN CONNECTION WITH ITS FIRST QUARTER 2004 FINANCIAL RESULTS CONFERENCE CALL:

[InVision Technologies Logo]

FINANCIAL RESULTS CONFERENCE CALL
FIRST QUARTER 2004

April 22, 2004

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[InVision Technologies Logo]

FORWARD LOOKING STATEMENTS

This presentation by InVision Technologies, Inc. contains time-sensitive information. The information contained herein is accurate only as of April 22, 2004. The information contained herein may be updated, amended, supplemented or otherwise altered by subsequent presentations, reports and/or filings by InVision.

In this presentation and the call accompanying this presentation, InVision will reiterate forward looking statements made in its press release issued on April 22, 2004 regarding future events and financial performance. InVision will attempt to identify these statements by the use of words such as "expect," "believe," "anticipate," "intend" and other words that denote future events.

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These statements also include statements related to our development and certification efforts, acceleration of EDS deployments and inline screening expansion, demand for cargo screening and checkpoint solutions and completion of the proposed acquisition of InVision by GE.

These forward-looking statements are subject to material risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements. InVision cautions you to consider the important risk factors that could cause actual results to differ materially from those in the forward-looking statements in the press release and the accompanying conference call. These risk factors are described in InVision's press release, and are more fully detailed under the caption "Risk Factors" at the end of Item 1 of InVision's latest Form 10-K filed with the SEC on March 15, 2004.

During the accompanying call and in this presentation, InVision refers to both GAAP and non-GAAP financial measures of InVision's operating and financial results. For complete information regarding InVision's non-GAAP financial information, the most directly comparable GAAP measures and a quantitative reconciliation of those figures, please refer to InVision's press release issued on April 22, 2004 regarding InVision's first quarter results and certain non-GAAP financial information available at the Investors - Press Releases page on InVision's website: www.invision-tech.com.

[InVision Technologies Logo]

OPERATIONS SUMMARY

SERGIO MAGISTRI, Ph.D.
President & CEO

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[InVision Technologies Logo]

Q1/04 SUMMARY

- Proposed acquisition by General Electric
- Q1 2004 revenues of \$76.9M
- Q1 2004 diluted GAAP EPS \$0.25
- Q1 2004 diluted pro forma EPS \$0.33*
- New Orders for Explosives Detection Systems (EDS)
 - \$105M CTX 9000 DSi order from TSA
 - \$11M X-ray diffraction order from Germany (included in backlog as of Q4 2003)
 - 26 CTX 9000 DSi order from Thailand received in Q2 2004
- Q1 2004 backlog of \$197M

* Refer to Schedule 1 of InVision's Q1 2004 press release for a detailed reconciliation of pro forma results to results on a GAAP basis. Slide 4

AVIATION SECURITY OPERATIONS

- Key project update
 - XRD and CTX 1000 in certification
 - Delivered a CTX for field evaluation of cargo screening - CTX combined with XRD - CT combined with QR
- Solid EDS backlog
- Progress on service contract negotiations
 - In service negotiations with TSA and Boeing
 - Anticipate no disruption of service

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AVIATION SECURITY MARKET

- DHS airport funding commitments increased by \$185M in Q1 2004
 - \$93.75M for Hartsfield-Jackson Atlanta International
 - \$91.5M for Phoenix Sky Harbor International
 - Total letter of intent (LOI) funding to date equals \$960M for nine airports
- Increasing pressure on accelerated deployment
 - Airports via ACI and AEEE
 - Recent terrorist attacks
 - Cost savings and increased security achieved with an automated in-line solution
- FY05 Administration proposed budget of \$400M to improve screening
 - \$150 million for EDS equipment
 - \$250 million for LOIs
- International market
 - Bangkok is the first international airport to implement 100% in-line screening with high detection performance

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[InVision Technologies Logo]

CUMULATIVE CTX SHIPMENTS

[Graph: CTX Units US; CTX Units International]

CTX 2500 - 18%
CTX 5500 DS - 56%
CTX 9000 DSi - 26%
CTX US - 80%
CTX International - 20%

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[InVision Technologies Logo]

NDT OPERATIONS

- Key wins & improvements in Q1/04
 - Large wheel machine order in US
 - US market showing good signs of recovery
- Hapeg
 - Shipped large CT system to a US Tire Company
- Foreign exchange exposure
 - Margins continue to be hurt in US and China
 - Q2 expected to show improvement

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[InVision Technologies Logo]

INVISION OUTLOOK

- Potential acceleration of 100% in-line screening
 - Upside to FY05 proposed EDS budget \$400M
 - Strong lobbying by airport industry to accelerate deployment
 - Automated technology advancements by InVision
- Increasing international demand for 100% in-line screening
- Strong push for cargo screening with certified equipment
- Demand for high detection check point solution
- Longer term demand for increasing security & operational performance benefiting technology leaders like InVision

[InVision Technologies Logo]

FINANCIAL SUMMARY

ROSS MULHOLLAND
Senior Vice President &
Chief Financial Officer

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INCOME STATEMENT - Q1 04

- Total consolidated revenues \$76.9M
- Total consolidated service revenues \$20.1M
- Backlog at Q1 2004 \$197M
 - EDS Backlog \$139M
 - NDT Backlog \$28M
 - All Other Backlog \$30M
- Gross profit \$28.8M...37.5%
- Operating expenses \$19.6M...25.5%
- Income From Operations \$9.2M...12.0%
- GAAP Net income \$5.2M...6.7%
- Reported Diluted EPS \$0.25 per share

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[InVision Technologies Logo]

Q1 04 PRO FORMA, NET INCOME CALCULATION

(IN 000S, EXCEPT PER SHARE DATA) (*)	DILUTED EPS	NET INCOME AFTER TAX	DILUTED SHARES OUTSTANDING
-----	-----	-----	-----
Reported diluted EPS, net income adjusted for interest expense on convertible debt and reported DSO	\$ 0.25	\$ 5,734	22,586

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Impact of contingent conversion, net of tax	--	(555)	(3,906)
Diluted EPS before contingent conversion, reported net income and DSO before contingent conversion	\$ 0.28	\$ 5,179	18,680
Impact of GE acquisition costs, net of tax	--	1,065	--
Pro forma EPS, net income and DSO*	\$ 0.33	\$ 6,244	18,680

* Refer to Schedule 1 of InVision's Q1 2004 press release for a detailed reconciliation of pro forma results to results on a GAAP

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SEGMENT RECAP - Q1 04

(\$ IN 000'S, EXCEPT PERCENTAGES)	EDS*	NDT*	TOTAL CO
Revenues	\$55.1	\$16.2	\$76
Gross Profit	\$23.6	\$ 3.8	\$28
Gross Margin	42.7%	23.2%	37
Operating Expense	\$13.8	\$ 4.0	\$19
Operating Expense %	25.0%	24.6%	25
Operating Income	\$ 9.8	\$(0.2)	\$ 9
Operating Income %	17.8%	-1.4%	12

* Refer to Schedule 2 of InVision's Q1 2004 press release for a detailed presentation of segment results. Slide 13

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GROSS MARGIN AND REVENUE TRENDS

[Graph: Gross Margin Trend]

[Graph: Consolidated Revenue Trend]

Revenue Mix Q1 04:

EDS - 72%
NDT - 21%
All Other - 7%

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[InVision Technologies Logo]

QUARTERLY REVENUE TRENDS

[Graph: Quarterly Revenue Trends, Q1-02 - Q1-04 for NDT, EDS Service, EDS Products Int., EDS Products US and Other]

[InVision Technologies Logo]

BALANCE SHEET HIGHLIGHTS - Q1/04

(\$ IN MILLIONS) -----	AS OF 12/31/02 -----	AS OF 12/31/03 -----	AS OF 3/28/03 -----
Cash and cash equivalents	159.7	276.9	284.6
Working capital *	227.1	364.8	378.7
Total assets	417.8	486.1	505.4
Long Term Liabilities	0.7	127.2	127.3
Stockholders' equity	236.7	290.7	303.6

- Historically solid balance sheet
- Strong cash position
- Convertible debt transaction in Q3 2003 provided approximately \$108 million in net cash proceeds

Working capital is calculated as the difference between balance sheet current assets and current liabilities. Refer to InVision's balance sheets in its Q1 2004 press release.

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CLOSING REMARKS

SERGIO MAGISTRI, Ph.D.
President & CEO

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PROPOSED ACQUISITION BY GENERAL ELECTRIC

- Consideration: \$50 per share cash
- Anticipate closing second half of 2004
- Proxy statement will be mailed upon completion of SEC review process
- Closing subject to competition clearances and INVN stockholder approval

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CLOSING REMARKS

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- Strong quarter for InVision
- Accelerating development of Aviation Security
- Continued and growing need for better overall Homeland security
- Big players are entering the Homeland security space

Thank you to all our employees and our stockholders for many years of support and for helping us become the leader in aviation security!

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[InVision Technologies Logo]

ADDITIONAL INFORMATION ABOUT THE PROPOSED ACQUISITION AND WHERE YOU CAN FIND IT

In connection with the proposed acquisition by GE, InVision has filed a proxy statement and other relevant materials with the Securities and Exchange Commission (SEC). When the proxy statement has completed review by the SEC, it will be mailed to all holders of InVision common stock. BEFORE MAKING ANY VOTING DECISION WITH RESPECT TO THE PROPOSED ACQUISITION, INVESTORS AND STOCKHOLDERS OF INVISION ARE URGED TO READ THE DEFINITIVE PROXY STATEMENT AND OTHER RELEVANT MATERIALS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED ACQUISITION. The proxy statement and other relevant materials, and any other documents filed by InVision with the SEC, may be obtained free of charge at the SEC's website at www.sec.gov. In addition, investors and stockholders of InVision may obtain free copies of the documents filed with the SEC by contacting InVision Investor Relations at (510) 739-2511 or InVision Technologies, Inc., 7151 Gateway Boulevard, Newark, CA 94560. You may also read and copy any reports, statements and other information filed by InVision with the SEC at the SEC public reference room at 450 Fifth Street, N.W. Room 1200, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website for further information on its public reference room.

InVision and its executive officers and directors may be deemed to be participants in the solicitation of proxies from the InVision stockholders in favor of the proposed acquisition. Certain executive officers and directors of InVision have interests in the acquisition that may differ from the interests of stockholders generally, including acceleration of vesting of stock options and continuation of director and officer insurance and indemnification. These interests are described in the proxy statement.

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