

AVT Reports First Half Of 2014 Financial Results

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Highlights

- Revenues in H1 2014 increased to \$27.1 million, up 9.7% over H1 2013
- Operating income in H1 2014 increased to \$3.1 million, up 17.5% over H1 2013
- Net profit in H1 2014 increased to \$2.3 million up 11.2% over H1 2013
- Total Order Bookings in H1 2014 were \$26.7 million, an increase of 9.1% over H1 2013

Hod-Hasharon, Israel, August 7, 2014 – Advanced Vision Technology Ltd. (AVT, Prime Standard of the Frankfurt Stock Exchange, ISIN: IL0010837248), the world's leader in print process control, quality assurance and color control for the packaging, labels, folding cartons and commercial print markets, announced today its financial results for the first half of 2014 ended June 30, 2014.

Revenues for the first six months of 2014 were \$27.1 million, an increase of 9.7% compared to 24.7 million in the first six months of 2013. Revenues in the second quarter of 2014 totalled \$13.7 million representing an increase of 10.5% compared with Q2 2013. The increase in total revenues in the first half of 2014 compared with the same period last year is attributable to higher sales to the Labels & Packaging converters printing markets.

Order Booking in the first half of 2014 totalled \$26.7 million representing an increase of 9.1% compared to order booking of \$24.4 million in the first half of 2013. For the second quarter order booking totaled \$13.6 million, an increase of 11.3% over the second quarter of 2013.

Gross margin in the first six months of 2014 was 52.8% compared with 54.2% in the first half of 2013. Gross margin increased from 54.2% in the second quarter of 2013 to 55.2% in the second quarter of 2014. The decrease in gross margin in the first six months of 2014 is attributable primarily to higher cost of service.

Operating Income in the first six months of 2014 was \$3.1 million, an increase of 17.5% compared with operating income of \$2.7 million in the first half of

2013. Operating income in the second quarter of 2014 was \$1.8 million, an increase of 34.4% compared with operating income of \$1.3 million in the second quarter of 2013.

Net Income for the first six months ended June 30, 2014 was \$2.3 million or \$0.37 per share (diluted), an increase of 11.2% compared with \$2.0 million or \$0.35 per share (diluted) for the first half of 2013. Net income in Q2 2014 was \$1.3 million compared with \$1.1 million in the year earlier quarter .

Jaron Lotan, President and CEO of AVT said:" I am pleased to report that in the second quarter of 2014 we continued to see increased growth in both revenue and order bookings terms. Our solid performance was based on strong order bookings of our packaging and label market products, as well as high performance in Europe that positions us on track to execute our plan for the year. We continued to enhance our digital market presence where we installed our Apollo systems, with the Zeroset workflow module, on the new HP Indigo 20000 presses in several customer sites"

About AVT

Advanced Vision Technology, Ltd (AVT) is the world leader in print process control, quality assurance and color control for the packaging, labels, folding cartons, metal decoration and commercial print markets. Today, more than 3,650 PrintVision systems for packaging and labels automatic inspection, are installed worldwide. As a premier supplier in the commercial sector, AVT has over 890 of its closed loop color control systems, and over 3,330 color management and reporting software and remote digital ink fountain control systems installed around the world. AVT's products are sold to leading printing press OEMs, packaging, labels, commercial, semi-commercial, newspaper and specialty printers in the heatset and coldset web printing markets, worldwide.

Advanced Vision Technology's headquarters are located in Hod-Hasharon, Israel with sales, marketing, and support offices in the United States, Europe and China. AVT is a public company listed in the Prime Standard of the Frankfurt Stock Exchange.

Please visit the AVT website: www.avt-inc.com

Safe Harbor Statement

Certain statements in this press release are forward-looking statements. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include, but are not limited to: the impact on revenues of economic

and political uncertainties and weaknesses in various regions of the world, including the commencement or escalation of hostilities or acts of terrorism; any unforeseen developmental or technological difficulties with regard to our products; changes in the competitive landscape, including new competitors or the impact of competitive pricing and products; a shift in demand for products such as ours; unknown factors affecting third parties with which we have formed business alliances; timely availability and customer acceptance of our new and existing products, and other factors and risks discussed in our Annual Report for the year ended December 31, 2013. We assume no obligation to update information concerning our expectations.

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