

AVT Reports Q1 2014 Financial Results

14/05/2014

Highlights for Q1 2014

- **Revenues totaled \$13.4 million, an increase of 8.8% over Q1 2013**
- **Operating income totaled \$1.4 million, an increase of 1.0% over Q1 2013**
- **Net income totaled \$0.9 million, an increase of 2.9% over Q1 2013**
- **Total Order Bookings in Q1 2014 were \$13.1 million, an increase of 7.0% over Q1 2013**

Hod-Hasharon, Israel, May 14, 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, metal decoration and commercial print markets, announced today its financial results for the first quarter of 2014 ended March 31.

Revenues in the first quarter of 2014 were \$13.4 million, an increase of 8.8% over the first quarter of 2013. The increase in total *revenues* compared with same quarter last year is attributable to higher sales to the commercial printing market.

New Order Bookings in the first quarter of 2014 totaled \$13.1 million representing an increase of 7.0% over order booking of \$12.3 million in the first quarter of 2013.

Gross margin The Gross margin in the first quarter of 2014 was 50.4% compared with 54.2% in the first quarter of 2013. The reduction in gross margin is attributable primarily to a one-time final payment to the Chief Scientist and to the products' sales mix.

Operating income in the first quarter of 2014 was \$1.4 million, an increase of 1.0% compared with operating income of \$1.4 million in the first quarter of 2013. Operating margin slightly decreased from 10.9% in the first quarter of 2013 to 10.2% in the first quarter of 2014.

Net income for the quarter ended March 31, 2014 was \$0.9 million or \$0.16 per share (diluted) compared with net income of \$0.9 million or \$0.16 per share (diluted) for the first quarter of 2013.

Capital Reduction The board of directors resolved to seek approval of an Israeli court for a capital reduction in the amount of \$12.0 million, which if approved may enable the board of directors in the future to declare further dividends and/or adopt a share buyback program.

Appointment of new directors The board of directors has decided to appoint Ms. Adina Shorr and Mr. Dan Falk as directors as of June 1, 2014. "I am pleased to welcome Adina and Dan to AVT," said Yeoshua Agassi, AVT's Chairman. "The proven experience of Adina and Dan in large and complex organisations make them an important asset to our board of directors, and will support our future growth."

Adina currently serves as active Chairperson of the board of Lucidlogix which was merged with CellGuide where Adina served as CEO. Prior to CellGuide

Adina was the CEO and President of Objet Geometries Ltd. (now Stratasys Ltd., Nasdaq: SSYS). During her 6 year tenure at Objet Adina transformed the company from a start-up to a leader in the global 3D printing market. Prior to Objet, Adina served as Corporate Vice President at Creo and before that held senior management positions at Scitex Corporation Ltd.

Dan Falk was the COO & CEO of Sapiens International NV from 1999 to 2000. He was formerly the executive vice president and CFO of Orbotech Ltd, and, from 1973 to 1985, he served in several executive positions in the Israel Discount Bank. Dan already served two times on AVT board of directors, most recently from November 2007 until November 2010.

Jaron Lotan, President and CEO of AVT: "I am pleased to report that in the first quarter of 2014 we continued to grow the business. Our solid performance was based on strong order booking of our packaging market products, as well as positive increase in our OEM partners based business. We continued to enhance our digital market presence where we showcased the Helios & Apollo systems, with the Zeraset workflow module, installed on HP Indigo presses in the Dscoop (HP user group) Orlando event, in other events and which we have installed at a number of 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 3,550 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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