

AVT Reports Q4 2013 Financial Reports

26/02/2014

Highlights for 2013

- **Revenues totaled \$50.5 million, an increase of 5.2% from revenues of \$48.0 million in 2012**
- **Operating Income totaled \$5.8 million, an increase of 8.9% compared with \$5.3 million in 2012**
- **Net Income totaled \$6.6 million, an increase of 34.2% compared with \$4.9 million in 2012**
- **Net income in 2013 was positively impacted by \$1.4 million in one time tax benefits**
- **New Order Booking totaled \$51.6 million representing an increase of 3.9% over 2012**
- **Dividend of \$1.0 per share with respect to 2013 profits has been announced**

Hod-Hasharon, Israel, February 26, 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 fourth quarter and the fiscal year ended December 31, 2013.

Revenues in 2013 totaled \$50.5 million 5.2% higher than the \$48.0 million generated in 2012. Revenues in the fourth quarter of 2013 were \$13.0 million 2.4% higher than in Q4 2012. The increase in total revenues in 2013 is due to higher sales to the Labels & Packaging convertors segments.

New order booking in 2013 totaled \$51.6 million representing an increase of 3.9% compared with order booking of \$49.7 million in 2012.

Gross margin in 2013 was 53.7% compared with 53.3%, in 2012.

Operating income in 2013 totaled \$5.8 million, an increase of 8.9% compared with operating income of \$5.3 million in 2012.

Net income for the full year ended December 31, 2013 was \$6.6 million or a profit of \$1.12 per share (diluted) compared with net income of \$4.9 million or a profit of \$0.88 per share (diluted) in 2012.

During 2013 the company took advantage of a special program initiated by the Israeli government and released its "trapped profits" by paying a highly discounted tax rate. Consequently the company reported tax expense of \$1.5 million. Conversely, in light of our continued profitability in the US the company recorded deferred income tax assets in the amount of \$2.9 million. As a result net income in 2013 was positively impacted by \$1.4 million in one time tax benefits.

Dividend Distribution

In light of the increase in cash the board of directors, resolved to distribute an extra- ordinary gross dividend of \$1.00 per share in respect of the profits of

2013. The record date for the distribution will be March 17th, 2014; the ex-dividend date will be March 18th, and the payment date will be March 21th. The tax withholding rate will be 20%.

Jaron Lotan, President and CEO of AVT:

We are happy with our 2013 results. For 2014 we have a plan that will generate further top line growth while making investments in some key areas, like R&D, business development and customer support to assure faster growth in 2015 and beyond.

For 2014, we project revenues to be between \$53.0 – \$55.0 million, and operating income to be between \$5.5 – \$5.8 million.

The company is exploring, in the context of its strategic planning, options for usage of its excess cash (that might accumulate), including by distributing further dividends and/or share buyback.

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 3,460 PrintVision systems for packaging and labels automatic inspection are installed worldwide. As a premier supplier in the commercial sector, AVT has over 920 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 coldest 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, 2012. We assume no obligation to update information concerning our expectations.

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