

Press Release

AVT Reports Q1 2016 Financial Results

Highlights for Q1 2016:

- **New Order Booking** totaled USD 14.8 million, compared with USD 12.9 million in Q1 2015
- **Revenues** totaled USD 12.3 million, compared with revenues of USD 13.0 million in Q1 2015
- **Operating Income** totaled USD 0.24 million, compared with USD 1.39 million in Q1 2015
- **Net Loss** totaled USD 0.38 million, compared with Net Income of USD 0.87 million in Q1 2015

Hod-Hasharon, Israel, May 10, 2016 – AVT (Advanced Vision Technology Ltd, Prime Standard of the Frankfurt Stock Exchange, ISIN: IL0010837248), a leading provider of process control, quality assurance and color control solutions for the printing industry, announced today the financial results for the first quarter of 2016 ended March 31.

New order booking in the first quarter of 2016 totaled USD 14.8 million, representing an increase of 14.7%, compared with order booking of USD 12.9 million in Q1 2015.

Revenues in the first quarter of 2016 totaled USD 12.3 million, 4.8% lower than the USD 13.0 million generated in Q1 2015. The higher levels of order booking in Q4 2015 and Q1 2016 are expected to materialize into revenue over 2016.

Gross margin in the first quarter of 2016 was 50.2%, compared with 53.1% in Q1 2015. On a Non-GAAP basis, gross margin in the first quarter of 2016 was 50.9% vs. 53.2% in Q1 2015. The difference in gross margin is mainly due to the lower level of revenues.

Operating income in the first quarter of 2016 totaled USD 0.24 million, compared with operating income of USD 1.39 million in Q1 2015. On a Non-GAAP basis, operating income in the first quarter of 2016 totaled USD 0.42 million vs. USD 1.47 million in Q1 2015.

Net loss in the first quarter of 2016 was USD 0.38 million or a loss of USD 0.06 per share, compared with net income of USD 0.87 million or a profit of USD 0.14 per share (diluted) in Q1 2015. Net loss in the first quarter of 2016 was attributable to the accounting treatment of the company's activities to hedge its exposure to fluctuations in the exchange rates of non-USD currencies. Total comprehensive loss was USD 0.03 million, compared with comprehensive



income of USD 0.87 million in Q1 2015.

Jaron Lotan, President and CEO of AVT: “We are pleased with the good order booking performance we had during Q1. However, we were unable to translate enough of this booking into revenues during this quarter and we expect to recognize revenues from this order booking during the remainder of 2016.

We look forward to upcoming Drupa exhibition, that will commence on May 31st, at which AVT will introduce a set of next-generation solutions and technologies, including a new cloud-based quality standards and automation platform; digital press inspection & control solutions; inline color management solutions; and several new inspection platforms for web and sheet-fed packaging applications.”

About AVT

AVT (Advanced Vision Technology, Ltd) is a leading provider of print process control, quality assurance and color control solutions for the printing industry. AVT offers inspection and process control solutions for Packaging, Labels, Folding Cartons and Metal Decorating applications. Today, more than 4000 AVT automatic inspection systems for packaging and labels are installed worldwide. As a premier supplier of color control solutions for offset printing, AVT has over 800 of its closed loop color control systems, and over 3,300 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 and finishing equipment manufacturers as well as to packaging, labels commercial and specialty printers, both in web and sheet printing, worldwide. AVT's headquarters are located in Hod-Hasharon, Israel with sales, marketing, and support offices in the United States, Europe and China.

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

Safe Harbor Statements

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, 2015. We assume no obligation to update information concerning our expectations.

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