

News Release

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Erhardt+Leimer and AVT announce their intent to Form a Strategic Alliance to Provide Wider Range of Integrated Automation Solutions for the Printing and Converting Industries

AVT intends to acquire Erhardt+Leimer's print inspection products; E+L and AVT to provide top-of-the-line solutions for both companies' customers

Augsburg, Germany and Hod-Hasharon, Israel – **Erhardt+Leimer**, a leader in system solutions and process control equipment to web-based industries and **AVT** (Advanced Vision Technology), a leader in print inspection, print process control, and quality assurance, have announced their intention to form an alliance that will broaden product portfolios and strengthen services for customers of both companies, including end users and OEMs, through solutions born of the two companies' combined experience and technological skills.

According to the companies understandings, in a first step AVT will acquire E+L's automatic print inspection solutions and will assume the responsibility to develop and manage these solutions for both companies' customers in the Label and Packaging applications, including the corrugated segment. In return E+L will be entitled to future earn outs and a cash payment as per the set terms. As part of the agreement, Dr. Michael Proeller, E+L's CEO, will be appointed Chairman of AVT's Advisory Board and serve as an observer on AVT's Board of Directors.

The expected agreement makes AVT the official inspection and press control provider for E+L, positioning AVT as responsible for the companies' mutual automatic print inspection solutions development; this includes both current products and ongoing product developments in the printing sector. Being an integration specialist, E+L is the ideal partner for the realization of complex automation and inspection solutions. Each company will then offer solutions from both AVT and E+L to all customers.

Consequently in the next stage, the alliance will offer customers a wider selection of solutions that may originate from either AVT or E+L. This allows both companies to increase customer responsiveness and maximize global footprints.

Combined Technological Expertise Benefits Customers & OEMs

One major achievement of this strategic alliance will be the level of technological know-how it unites. E+L's expertise in web, press and vision systems combined with AVT's inspection, press control and workflow management capabilities will enable the companies to offer unsurpassed end-to-end quality control solutions. The new joint portfolio includes comprehensive solutions such as:

- **Label & Narrow Web Inspection:** E+L's NYSCAN and AVT's Helios platforms will be enhanced through combined support expertise and the increased potential for joint innovation.
- **Vision & Viewing:** The alliance leverages E+L's view/vision technologies to enhance both view and inspection solutions and capabilities.
- **Color:** The alliance makes available the full range of color measurement and management solutions from both companies.
- **Comprehensive End-to-end:** The alliance creates a one-stop-shop for total quality assurance and process control solutions, from web guides and vision systems through press control and automation.
- **Corrugated:** The alliance instantly becomes a leading supplier and innovator for the corrugated industry's fast-developing quality control needs. Existing products for corrugated printing will be further enhanced, and plans are in the works to introduce several additional offerings.

Many of the advantages to which customers will be privy also will be enjoyed by original equipment manufacturers (OEMs) that partner with either AVT or E+L. OEMs will benefit from the one-stop-shop created by the alliance, providing everything from web guides, measurement systems and viewers to press control solutions, workflow management set-ups and automation.

While there remain certain outstanding issues, the parties expect that these issues can be resolved in the next few weeks. Following resolutions of these issues, the parties will be able to sign definitive agreements.

"We look forward to working together with the great team at E+L to provide better solutions to our customers," said Jaron Lotan, CEO of AVT. "This partnership is exciting for all involved and will broaden each firm's reach and expertise. This alliance was founded and structured in a way that will allow us to bring the best of both companies together to create great value for customers, employees and shareholders."

Dr. Michael Proeller, CEO of E+L: "Our two companies have known one another for decades, and have a high level of respect for the others' products, technology and personnel. Maximizing customer satisfaction, comprising products, technology and global 365/24/7 coverage is the driving factor behind this alliance. We are convinced that, together, we will be building the top team and offerings in the industry for the benefit of our worldwide customers."

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About AVT

AVT is the global leader in print process control, quality assurance, and press control for the packaging, labels, and commercial print industries. Backed by state-of-the-art technology and field-proven solutions, more than 7,000 AVT systems are installed at customer sites worldwide.

AVT is headquartered in Hod-Hasharon, Israel with sales, marketing, and support offices in the United States, Europe and China. For more information, visit www.avt-inc.com.

About E+L

E+L is the worldwide leading company in web guiding, web viewing and web tension control. E+L sells averagely 15000 of these systems annually through its extensive international network and is the undisputed market leader in this field.

E+L is headquartered in Augsburg, Germany and employs 1500 dedicated employees worldwide. E+L has factories and subsidiaries all over Europe, the US, Canada, Brazil, India, China, Taiwan, Korea and Japan. For more information visit www.erhardt-leimer.com.