

Press Release

AVT Reports Q3 and 9 months 2014 Financial Results

Highlights

- **Revenues for the third quarter of 2014 totaled \$14.0 million representing an increase of 8.9% over the revenues of Q3 in 2013 and an increase of 2.3% from the second quarter of 2014.**
- **Revenues for the first nine months of 2014 increased to \$41.1 million, up 9.4% compared to the same period in 2013**
- **Operating income for the first nine months of 2014 increased to \$4.5 million, 6.2% higher than for the same period in 2013**
- **Net profit for the first nine months increased to \$3.6 million up 2.5% from the same period in 2013**
- **Total Order Booking for the first nine months of 2014 were \$40.6 million, an increase of 9.1% over the same period in 2013**

Hod-Hasharon, Israel, November 16, 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 third quarter and the first nine months of 2014 ended on September 30, 2014

Revenues for the first nine months of 2014 were \$41.1 million, an increase of 9.4% compared to \$37.5 million for the first nine months of 2013. Revenues for the third quarter of 2014 totalled \$14.0 million representing an increase of 8.9% compared with Q3 2013.

Order Booking for the first nine months of 2014 totalled \$40.6 million representing an increase of 9.1% compared to order booking of \$37.2 million for the first nine months of 2013. For the third quarter of 2014 order booking totalled \$13.9 million, an increase of 9.0% over the third quarter of 2013.

Gross margin for the first nine months of 2014 was 52.5% compared with 54.1% for the first nine months of 2013. Gross margin decreased from 53.9% for the third quarter of 2013 to 51.8% for the third quarter of 2014. The decrease in gross margin for the first nine months of 2014 is attributable primarily to higher service costs coupled with the unfavorable impact of the Israeli Shekel exchange rate relative to the US Dollar partly offset by the favorable impact of the Euro exchange rate relative to the US Dollar and lower royalties payable to the Chief Scientist.

Operating Income for the first nine months of 2014 was \$4.5 million, an increase of 6.2% compared with operating income of \$4.3 million for the first nine months of 2013. Operating income for the third quarter of 2014 was \$1.4 million, a decrease of 12.9% compared with operating income of \$1.6 million for the third quarter of 2013.

Net Income for the first nine months ended September 30, 2014 was \$3.6 million or \$0.59 per share (diluted), an increase of 2.5% compared with \$3.5 million or \$0.61 per share (diluted) for the first nine months of 2013. Net income for Q3 2014 was \$1.4 million compared with \$1.5 million for the year earlier quarter.

Jaron Lotan, President and CEO of AVT said: "I am pleased to report that in the third quarter of 2014 we continued to see increased growth in both revenue and order bookings. Our solid performance this quarter was largely based on strong order bookings of our packaging products, as well as high performance in the United States. We continued to enhance our digital market position where we showcased our Digital Press Control Solution with Gallus-Heidelberg in the Gallus Innovations Days, and we announced that Landa Digital Printing has chosen AVT as the strategic provider for print quality and control solutions for their presses. These newly announced partnerships together with our expanding HP partnership position AVT as the leading provider of quality and inspection solutions for digital printing in the label and packaging markets".

After 6 years as Chairman of the Board Mr. Agassi has announced to the board his wish to step down as Chairman effective January 1, 2015. Mr. Agassi will continue to serve on the AVT Board as a Director representing Union Investments, AVT's largest shareholder, where he was recently appointed as Director. The Board has elected Mr. Dan Falk as the new Chairman of the Board of directors effective January 1st, 2015. Mr. Falk joined AVT Board on June 1, 2014; He has previously served as a Director of AVT between 11/2007 and 11/2010. The Board expressed its gratitude to Mr. Agassi for his contributions and accomplishments as AVT's Chairman and wished Mr. Falk success.

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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