

# ***ELBIT VISION SYSTEMS LTD.***



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## **ELBIT VISION SYSTEMS ANNOUNCES Q3 2011 RESULTS**

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- *Third quarter revenues of \$1.56 million*
- *Operating profits of \$0.24 million and net profits of \$0.33 million constituting 15% and 21% of net revenues, respectively*

**Caesarea, Israel, November 22, 2011 — Elbit Vision Systems Ltd. (OTCBB: EVSNF.OB)**, a global provider of vision technology for automatic surface inspection and in-line quality monitoring systems, today announced its consolidated financial results for the three month period ending September 30, 2011.

### **Third Quarter 2011 Results:**

Revenues for the third quarter of 2011 were \$1.56 million, representing an increase of 40% compared to \$1.11 million for the third quarter of 2010.

Gross profit on a US GAAP basis was \$0.95 million, representing 61% of revenues, compared with a gross profit of \$0.7 million for the third quarter of 2010.

Operating profit on a US GAAP basis was \$241 thousand compared with an operating profit of \$167 thousand in the third quarter of 2010.

Net profit on a US GAAP basis for the third quarter of 2011 was \$327 thousand, compared to a net profit of \$34 thousand in the third quarter of 2010.

**Sam Cohen, CEO of EVS commented**, “We are certainly pleased and encouraged by these results which confirm the vision contained in our business plan. The consistency of our financial results along with the launch of our new product line at the ITMA exhibition last month are evidence of a solid foundation for achieving next year’s goals. We are confident that our increased efforts in new product development and marketing will have a materially positive effect on our 2012 results.”

**About Elbit Vision Systems Ltd. (EVS):** [www.evs.co.il](http://www.evs.co.il)

EVS offers a broad portfolio of automatic State-of-the-Art Visual Inspection Systems for both in-line and off-line applications, and process monitoring systems used to improve product quality, safety, and increase production efficiency. EVS' systems are used by over 650 customers, many of which are leading global companies.

**This press release and other releases are available on [www.evs.co.il](http://www.evs.co.il)**

### ***Safe Harbor Statement***

*This press release contains forward-looking statements. Such statements are subject to certain risks and uncertainties, such as market acceptance of new products and our ability to execute production on orders, which could cause actual results to differ materially from those in the statements included in this press release. Although EVS believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. EVS disclaims any intention or obligation to update or revise any forward-looking statements, which speak only as of the date hereof, whether as a result of new information, future events or otherwise. EVS undertakes no obligation to update forward-looking statements to reflect subsequently occurring events or circumstances.*

### ***Use of Non-GAAP financial measures***

*EVS uses EBITDA as a non-GAAP financial performance measurement. EBITDA is calculated by adding back to net income interest, taxes, depreciation, amortization. EBITDA is provided to investors to complement results provided in accordance with GAAP, as management believes the measure helps illustrate underlying operating trends in the Company's business and uses the measure to establish internal budgets and goals, manage the business and evaluate performance. EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP.*

**FINANCIAL TABLES FOLLOW**

**ELBIT VISION SYSTEMS LTD.**

CONDENSED CONSOLIDATED BALANCE SHEET

AT September 30, 2011

IN U.S. DOLLARS

|   | Sep-30   |       | Dec-31 |
|---|--|-------|--------|
|   | 2011   | 2010  | 2010   |
|   | U.S. dollars in thousands<br>(except per share data) |       |        |
| <b>Assets</b>   |  |       |        |
| <b>CURRENT ASSETS:</b>  |  |       |        |
| Cash and cash equivalents   | 404  | 255   | 547    |
| Restricted deposit  | 40   | 25    | 32     |
| Accounts receivable:  |  |       |        |
| Trade   | 920  | 216   | 237    |
| Other   | 116  | 131   | 70     |
| Inventories   | 439  | 618   | 475    |
| Total current assets  | 1,919  | 1,245 | 1,361  |
| <b>LONG-TERM RECEIVABLES:</b>   |  |       |        |
| Severance pay fund  | 169  | 186   | 144    |
| Other long-term receivables   | 211  | 263   | 271    |
| Total long-term receivables   | 380  | 449   | 415    |
| <b>PROPERTY, PLANT AND EQUIPMENT</b> – net of accumulated depreciation and amortization |  |       |        |
|   | 52   | 49    | 50     |
| <b>OTHER ASSETS -</b>   |  |       |        |
| net of accumulated amortization:  |  |       |        |
| Goodwill  | 242  | 242   | 242    |
| Other intangible assets   | -  | 88    | -      |
|   | 242  | 330   | 242    |
| Total assets  | 2,593  | 2,073 | 2,068  |

|  | <b>Sep-30</b>  |             | <b>Dec-31</b> |
|--|----------------|-------------|---------------|
|  | <b>2011</b>    | <b>2010</b> | <b>2010</b>   |
| <b>U.S. dollars in thousands<br/>(except per share data)</b> |                |             |               |
| <b>Liabilities and shareholders' equity</b>                  |                |             |               |
| <b>CURRENT LIABILITIES:</b>                                  |                |             |               |
| Credit from banks and current maturities                     | <b>185</b>     | 191         | 170           |
| Current Maturities of Loan from Shareholder and Other        | <b>320</b>     | 185         | 270           |
| Accounts payable:  |                |             |               |
| Trade  | <b>671</b>     | 724         | 564           |
| Deferred revenues  | <b>45</b>      | 331         | 201           |
| Other  | <b>370</b>     | 354         | 383           |
| Total current liabilities                                    | <b>1,591</b>   | 1,785       | 1,588         |
| <b>LONG-TERM LIABILITIES:</b>                                |                |             |               |
| Long Terms Loans From Banks (Net of current maturities)      | <b>1,070</b>   | 1,242       | 1,227         |
| Loans and other liabilities (net of current maturities)      | <b>555</b>     | 766         | 681           |
| Loan from shareholder (net of current maturities)            | <b>138</b>     | 123         | 139           |
| Other Long Terms liabilities                                 | <b>943</b>     | 1,042       | 1,043         |
| Accrued severance pay  | <b>222</b>     | 238         | 199           |
| Total long-term liabilities                                  | <b>2,928</b>   | 3,411       | 3,289         |
| Total liabilities  | <b>4,519</b>   | 5,196       | 4,877         |
| <b>SHAREHOLDERS' EQUITY</b>                                  | <b>(1,926)</b> | (3,123)     | (2,809)       |
| Total liabilities and shareholders' equity                   | <b>2,593</b>   | 2,073       | 2,068         |

**ELBIT VISION SYSTEMS LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE NINE AND THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2011**  
**IN U.S. DOLLARS**

|  | 9 months ended                                       |         | 3 months ended |       | year ended   |
|--|--|---------|----------------|-------|--------------|
|  | Sep-30   |         | Sep-30         |       | December 31, |
|  | 2011   | 2010    | 2011           | 2010  | 2010         |
|  | U.S. dollars in thousands<br>(except per share data) |         |                |       |              |
| <b>REVENUES</b>  | <b>4,234</b>   | 2,233   | <b>1,557</b>   | 1,113 | 3,912        |
| <b>COST OF REVENUES</b>                                    | <b>1,501</b>   | 1,271   | <b>602</b>     | 411   | 1,960        |
| <b>GROSS PROFIT</b>  | <b>2,733</b>   | 962     | <b>955</b>     | 702   | 1,952        |
| <b>RESEARCH AND DEVELOPMENT EXPENSES – net</b>             | <b>469</b>   | 354     | <b>155</b>     | 108   | 494          |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:</b>       |  |         |                |       |              |
| Marketing and selling                                      | <b>900</b>   | 628     | <b>376</b>     | 247   | 921          |
| General and administrative                                 | <b>515</b>   | 659     | <b>183</b>     | 180   | 802          |
| <b>OPERATING PROFIT (LOSS)</b>                             | <b>849</b>   | (679)   | <b>241</b>     | 167   | (265)        |
| <b>FINANCIAL (EXPENSES) INCOME - net</b>                   | <b>12</b>  | (213)   | <b>86</b>      | (125) | (291)        |
| <b>OTHER (EXPENSES) INCOME – net</b>                       | <b>(2)</b>   | (90)    | -              | (8)   | (307)        |
| <b>LOSS BEFORE TAXES ON INCOME</b>                         | <b>859</b>   | (982)   | <b>327</b>     | 34    | (863)        |
| <b>TAXES ON INCOME</b>                                     | -  | -       | -              |       |              |
| <b>PROFIT (LOSS) FOR THE PERIOD</b>                        | <b>859</b>   | (982)   | <b>327</b>     | 34    | (863)        |
| <b>LOSS FROM OPERATION OF DISCONTINUED COMPONENTS</b>      | -  | (1,946) | -              | -     | (1,946)      |
| <b>NET PROFIT FROM DESPOSILE OF DISCONTINUED OPERATION</b> | -  | 5,354   | -              | -     | 5,436        |
| <b>NET INCOME</b>  | <b>859</b>   | 2,426   | <b>327</b>     | 34    | 2,627        |

|   |               |               |               |        |        |
|---|---------------|---------------|---------------|--------|--------|
| <b>PROFIT PER SHARE BASIC</b>   | <b>0.012</b>  | 0.035         | <b>0.005</b>  | 0.000  | 0.038  |
| <b>PROFIT PER SHARE DILUTED</b>   | <b>0.012</b>  | 0.035         | <b>0.005</b>  | 0.000  | 0.038  |
| <b>WEIGHTED AVERAGE NUMBER<br/>OF SHARES USED IN<br/>COMPUTATION OF LOSS PER<br/>SHARE:</b> |               |               |               |        |        |
| <b>BASIC (IN THOUSANDS)</b>   | <b>69,653</b> | <b>69,523</b> | <b>69,653</b> | 69,523 | 69,653 |
| <b>DILUTED (IN THOUSANDS)</b>   | <b>70,936</b> | <b>69,523</b> | <b>71,066</b> | 69,523 | 69,741 |