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**ELBIT VISION SYSTEMS ANNOUNCES
RECORD FOURTH QUARTER AND FULL YEAR 2007 RESULTS**

Record annual revenues reach \$21.9 million, up 29% over 2006

Fourth Quarter Highlights (compared to fourth quarter 2006)

- Revenues reach \$5.9 million, up 24%
- Non-GAAP operating income at \$0.2 million or 3.1% of revenues
- Non-GAAP EBITDA at \$275 thousand or 4.7% of revenues
- Introduced 2008 revenue guidance; expect revenues of \$25-26 million with 10-11% operating margins

KADIMA, Israel – February 19, 2008 – Elbit Vision Systems Ltd. (OTCBB: EVSNF.OB), a global leader in the field of automatic in-line optical web inspection and quality monitoring systems, today announced its consolidated financial results for the three and twelve month period ended December 31, 2007.

Fourth Quarter 2007 Results:

Revenues for the fourth quarter of 2007 totaled \$5.8 million, an increase of 24% compared to \$4.7 million in the fourth quarter of 2006.

Non-GAAP gross profit for the fourth quarter of 2007 totaled \$3.0 million, representing 51.3% of the Company's revenues, compared with \$2.4 million in the fourth quarter of 2006, or 51.6% of revenues.

Non-GAAP operating profit for the fourth quarter of 2007 totaled \$182 thousand, compared with \$520 thousand in the fourth quarter of 2006. Operating expenses in the quarter increased due the decrease in the value of the Company's reporting currency, the US dollar, against the Israeli shekel in which a significant portion of the Company's expenses are generated. In addition, the contribution to R&D expenses in the quarter by the Office of the Chief Scientist in Israel was reduced.

Non-GAAP net loss for the fourth quarter of 2007 totaled \$173 thousand, compared with a net profit of \$166 thousand in the fourth quarter of 2006. **Non-GAAP net loss per basic share** totaled \$0.003, compared to a profit per share \$0.006 in the fourth quarter of 2006.

Net loss on a GAAP basis for the fourth quarter of 2007 was \$383 thousand, compared to a net loss of \$289 thousand in the fourth quarter of 2006. **Net loss per basic share** on a GAAP basis was \$0.008, compared with \$0.010 in the fourth quarter of 2006.

Non-GAAP EBITDA for the fourth quarter of 2007 totaled \$275 thousand, compared to \$578 thousand in the fourth quarter of 2006.

Net debt as at December 31, 2007 was \$3.2 million, compared with \$5.5 million as of December 31, 2006. During the quarter, the Company generated \$1 million in positive operating cash flow.

Full Year Results:

Revenues for the full year 2007 totaled \$21.9 million, an increase of 29% compared to \$17.0 million in 2006. **Non-GAAP Gross profit** for 2007 totaled \$11.1 million, an increase of 113% compared with \$5.2 million in 2006. **Non-GAAP operating profit** for 2007 totaled \$1.9 million, representing 8.7% of revenues, compared to an operating loss of \$3.1 million in 2006. **Non-GAAP net profit** for 2007 totaled \$0.82 million compared to a \$3.9 million loss in 2006. **Net loss on a GAAP basis** for 2007 was \$1.3 million, compared to a net loss of \$6.1 million, in 2006. **Non-GAAP EBITDA** for 2007 totaled \$2 million, compared to a \$3.7 million loss in 2006.

David Gal, Chairman and CEO of EVS commented, “2007 was an important year for EVS. We initiated our turnaround plan at the end of last year, and we are now seeing the fruits of that effort. We took advantage of our improving market position, capitalizing on our fast growing markets, and we strongly grew our revenues throughout the year. We achieved a milestone by becoming profitable on an operating basis, and we expect to soon cross the breakeven point on a net basis.”

“Looking ahead to 2008, we are seeing strongly growing demand in both our ultrasonic and vision businesses,” **continued Mr. Gal.** “In particular, we see increased demand for our ultrasonic solutions in the aerospace and railway sectors, as well as a high level of orders for our vision inspection solutions for technical fabrics. Based on our strong backlog and pipeline for the coming year, we expect revenues in 2008 of between \$25-26 million with operating margins reaching between 10-11%.”

Use of Non- GAAP Financial Measures

EVS believes that both non-GAAP financial measures are better principal indicators of the operating and financial performance of its business. The non-GAAP numbers exclude mainly the non-cash equity-based compensation charges recorded in accordance with SFAS 123R as well as associated with purchase price allocation charges.

Reconciliations of the non-GAAP measures to the most comparable GAAP measure, are provided in the schedules attached to this release.

About Elbit Vision Systems Ltd. (EVS)

EVS offers a broad portfolio of automatic State-of-the-Art Visual and Ultrasonic Inspection Systems for both in-line and off-line applications, and quality monitoring systems used to improve product quality, safety, and increase production efficiency. EVS' systems are used by over 600 customers, many of which are leading global companies. The headquarters, manufacturing and R&D of EVS are all located in Israel. A worldwide Sales and Service network supports markets as well as systems already installed, in Asia, Europe, Africa, Australia and the Americas.

This press release and other releases are available on www.evs-sm.com

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.

FINANCIAL TABLES FOLLOW

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED BALANCE SHEET
AT DECEMBER 31, 2007
IN U.S. DOLLARS

	Dec-31	
	2007	2006
	U.S. dollars in thousands (except per share data)	
Assets		
CURRENT ASSETS:		
Cash and cash equivalents	2,189	1,060
Restricted deposit (short term)	540	688
Accounts receivable:		
Trade	4,738	3,198
Other	1,428	603
Inventories	5,299	3,968
Total current assets	14,194	9,517
LONG-TERM RECEIVABLES:		
Severance pay fund	1,623	1,891
Other long-term receivables	231	1,066
Total long-term receivables	1,854	2,957
PROPERTY, PLANT AND EQUIPMENT – net of accumulated depreciation and amortization		
	490	455
OTHER ASSETS AND DEFERRED CHARGES -		
net of accumulated amortization:		
Goodwill	3,529	2,363
Other intangible assets	3,439	4,098
	6,968	6,461
Total assets	23,506	19,390

	Dec-31	
	2007	2006
In thousands		
Liabilities and shareholders' equity		
CURRENT LIABILITIES:		
Credit from banks	4,967	4,713
Current maturities of loan from shareholder	-	160
Short term loan from banks	-	2,015
Accounts payable and accruals:		
Trade	3,220	3,502
Deferred revenues	2,082	1,617
Other	2,629	3,583
Total current liabilities	<u>12,898</u>	<u>15,590</u>
LONG-TERM LIABILITIES:		
Loans from Related Parties (net of current maturities)	-	609
Loans and other liabilities (net of current maturities)	1,000	-
Accrued severance pay	2,008	2,190
Total long-term liabilities	<u>3,008</u>	<u>2,799</u>
Total liabilities	<u>15,906</u>	<u>18,389</u>
SHAREHOLDERS' EQUITY	7,600	1,001
Total liabilities and shareholders' equity	<u><u>23,506</u></u>	<u><u>19,390</u></u>

(*) After reduction of \$1,168 shares held in escrow

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE TWELVE-MONTH AND THREE-MONTH ENDED DECEMBER 31, 2007
IN U.S. DOLLARS

	12 months ended		3 months ended	
	Dec-31		Dec-31	
	2007	2006	2007	2006
	U.S. dollars in thousands		(except per share data)	
REVENUES	21,863	16,997	5,853	4,713
COST OF REVENUES	11,308	10,576	2,982	2,419
CHARGES ASSOCIATED WITH RAILWAYS OF INDIA	-	1,660	-	-
GROSS PROFIT	10,555	4,761	2,871	2,294
RESEARCH AND DEVELOPMENT EXPENSES – net	3,313	2,562	998	524
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:				
Marketing and selling	4,885	4,149	1,442	1,110
General and administrative	1,338	1,870	458	402
Reorganization expenses	-	200	-	-
OPERATING INCOME (LOSS)	1,019	(4,020)	(27)	258
FINANCIAL EXPENSES - net	(1,081)	(1,332)	(187)	(503)
WRITE OFF OF DISCOUNT ON CONVERTIBLE LOAN ASSOCIATED WITH BENEFICIAL CONVERSION FEATURE	(1,047)	-	-	-
OTHER INCOME (EXPENSES) – net	(230)	(5)	(167)	12
INCOME (LOSS) BEFORE TAXES ON INCOME	(1,339)	(5,357)	(381)	(233)

TAXES ON INCOME	<u>3</u>	<u>5</u>	<u>2</u>	<u>4</u>
INCOME (LOSS) FOR THE PERIOD BEFORE DISCONTINUED OPERATION	(1,342)	(5,362)	(383)	(237)
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
INCOME (LOSS) OF OPERATION OF DISCONTINUED COMPONENTS	-	(180)	-	(2)
NET LOSS ON DESPOSILE OF DISCONTINUED OPERATION	-	(551)	-	(50)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
INCOME (LOSS) FOR THE PERIOD	(1,342)	(6,093)	(383)	(289)
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
EARNING (LOSS) PER SHARE – BASIC	(0.034)	(0.212)	(0.008)	(0.010)
EARNING (LOSS) PER SHARE –DILUTED	(0.034)	(0.212)	(0.008)	(0.010)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF LOSS PER SHARE</u>				
BASIC (IN THOUSANDS)	39,393	28,778	50,791	29,516
DILUTED (IN THOUSANDS)	39,393	28,778	50,791	29,516