

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

### **Elbit Vision Systems Ltd. Announces Third Quarter Results: Continued Growth and Improvement in Profitability**

Amounts in US\$ thousands				
	<b>Q3 2007</b>	<b>Q3 2006</b>	<b>9 months ended 30/09/07</b>	<b>9 months ended 30/09/06</b>
Net Sales	5,591	3,061	16,010	12,284
NON GAAP Operating Profit	533	(3,009)	1,720	(3,527)
EBITDA	578	(2,922)	1,786	(3,164)

Kadima, Israel, November 13 , 2007 – Elbit Vision Systems Ltd. (OTCBB: EVSNF.OB), a global leader in the field of automatic in-line optical web inspection and quality monitoring systems, announced today its consolidated financial results for the third quarter ended September 30, 2007.

#### ***Financial Results***

Revenues for the third quarter of 2007 were \$5.59 million, an increase of 82.7% compared with \$3.06 million in the third quarter of 2006. EBITDA for the third quarter of 2007 was \$0.58 million compared to an EBITDA (loss) of \$2.922 million, for the third quarter of 2006.

#### ***Gross Profit***

Gross profit for the third quarter of 2007 was \$2.64 million representing 47.2% of the Company's sales, compared with a gross loss of \$1 million in the third quarter of 2006.

#### ***Operating Profit***

NON GAAP operating profit for the third quarter of 2007 was \$533,000 representing 9.5% of the Company's sales, compared with a loss of \$3.009 million in the third quarter of 2006.

**Net income (proforma) was \$101,000. The only item excluded from the GAAP loss of \$946,000 was the discount of approximately \$1 million relating to a convertible loan associated with a beneficial conversion feature that had no effect on the Company's Equity.**

"Our results have shown continued growth in the third quarter" said Mr. David Gal, the Company's chairman and CEO. "These results underline the fact that recent improvements in EVS' operations have not been isolated events but part of a trend, which has shown steady growth over each of the last four quarters, as reflected in the Company's operating profits and EBITDA . We have also seen that the increase in demand for our solutions to the aerospace and industrial sectors, has continued in the third quarter of 2007."

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

EVS offers a broad portfolio of automatic in-line inspection and quality monitoring systems used to improve product quality and increase production efficiency. The Company's Industrial Division provides automatic optical inspection (AOI) and non-destructive ultrasound inspection systems for heavy manufacturing (automotive, aeronautics, steel and others). EVS maintains headquarters and manufacturing in Israel, R&D operations in Israel, and offers global sales and support coverage.

**Safe Harbor:**

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.

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

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**ELBIT VISION SYSTEMS LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AT SEPTEMBER 30, 2007**  
**IN U.S. DOLLARS**

	<b>Sep-30</b>		<b>Dec-31</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>U.S. dollars in thousands (except per share data)</b>		
<b>Assets</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	1,350	276	1,060
Restricted deposit	1,076	1,820	688
Accounts receivable:			
Trade	5,282	3,077	3,198
Other	1,259	1,054	603
Inventories	4,963	3,829	3,968
Assets held for sale	-	1,992	-
Total current assets	13,930	12,048	9,517
<b>LONG-TERM RECEIVABLES:</b>			
Severance pay fund	1,563	1,865	1,891
Other long-term receivables	666	140	1,066
Total long-term receivables	2,229	2,005	2,957
<b>PROPERTY, PLANT AND EQUIPMENT – net of accumulated depreciation and amortization</b>			
	507	491	455
<b>OTHER ASSETS AND DEFERRED CHARGES -</b>			
net of accumulated amortization:			
Goodwill	3,534	2,363	2,363
Other intangible assets	3,596	4,265	4,098

	<u>7,130</u>	<u>6,628</u>	<u>6,461</u>
Total assets	<u>23,796</u>	<u>21,172</u>	<u>19,390</u>

	<u>Sep-30</u>	<u>Dec-31</u>
	<u>2007</u>	<u>2006</u>
<u>U.S. dollars in thousands</u>		
<u>(except per share data)</u>		
<b>Liabilities and shareholders' equity</b>		
<b>CURRENT LIABILITIES:</b>		
Credit from banks	6,616	3,787
Current maturities of loan from Related Parties	-	160
Short term loan from banks	-	2,015
Accounts payable:		
Trade	2,768	2,732
Deferred revenues	1,092	3,586
Other	3,410	4,217
Liabilities associated with assets held for sale	-	831
Total current liabilities	<u>13,886</u>	<u>15,313</u>
<b>LONG-TERM LIABILITIES:</b>		
Loans and other liabilities (net of current maturities)	-	2,000
Loans from Related Parties(net of current maturities)	-	461
Accrued severance pay	1,930	2,215
Total long-term liabilities	<u>1,930</u>	<u>4,676</u>
Total liabilities	<u>15,816</u>	<u>19,989</u>
<b>SHAREHOLDERS' EQUITY</b>	<b>7,980</b>	1,183 (*)
Total liabilities and shareholders' equity	<u>23,796</u>	<u>21,172</u>
	<u>19,390</u>	<u>18,389</u>

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

**ELBIT VISION SYSTEMS LTD.**  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE NINE AND THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2007  
IN U.S. DOLLARS

	9 months ended		3 months ended		year ended
	Sep-30		Sep-30		December
	2007	2006	2007	2006	31, 2006
	U.S. dollars in thousands (except per share data)				
<b>REVENUES</b>	<b>16,010</b>	12,284	<b>5,591</b>	3,061	16,997
<b>COST OF REVENUES</b>	<b>8,326</b>	8,157	<b>2,950</b>	2,390	10,576
<b>CHARGES ASSOCIATED WITH RAILWAYS OF INDIA</b>	<b>-</b>	1,660	<b>-</b>	1,660	1,660
<b>GROSS PROFIT</b>	<b>7,684</b>	2,467	<b>2,641</b>	(989)	4,761
<b>RESEARCH AND DEVELOPMENT EXPENSES – net</b>	<b>2,315</b>	2,038	<b>956</b>	533	2,562
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:</b>					
Marketing and selling	<b>3,443</b>	3,039	<b>1,171</b>	995	4,149
General and administrative	<b>880</b>	1,468	<b>204</b>	579	1,870
Reorganization expenses	<b>-</b>	200	<b>-</b>	200	200
<b>OPERATING (LOSS) INCOME</b>	<b>1,046</b>	(4,278)	<b>310</b>	(3,296)	(4,020)
<b>FINANCIAL (EXPENSES) INCOME - net</b>	<b>(894)</b>	(829)	<b>(210)</b>	(472)	(1,332)

<b>WRITE OFF OF DISCOUNT ON CONVERTIBLE LOAN ASSOCIATED WITH BENEFICIAL CONVERSION FEATURE</b>	<b>(1,047)</b>	<b>-</b>	<b>(1,047)</b>	<b>-</b>	<b>-</b>
<b>OTHER (LOSS) INCOME – net</b>	<b>(63)</b>	<b>(17)</b>	<b>2</b>	<b>(6)</b>	<b>(5)</b>
<b>INCOME (LOSS) BEFORE TAXES ON INCOME</b>	<b>(958)</b>	<b>(5,124)</b>	<b>(945)</b>	<b>(3,774)</b>	<b>(5,357)</b>
<b>TAXES ON INCOME</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>5</b>
<b>INCOME (LOSS) FOR THE PERIOD BEFOR DISCONTINUED OPERATION</b>	<b>(959)</b>	<b>(5,125)</b>	<b>(946)</b>	<b>(3,776)</b>	<b>(5,362)</b>
<b>INCOME (LOSS) OF OPERATION OF DISCONTINUED COMPONENTS</b>	<b>-</b>	<b>(178)</b>	<b>-</b>	<b>(96)</b>	<b>(180)</b>
<b>NET LOSS ON DESPOSILE OF DISCONTINUED OPERATION</b>	<b>-</b>	<b>(501)</b>	<b>-</b>	<b>(501)</b>	<b>(551)</b>
<b>NET EARNING (LOSS)</b>	<b>(959)</b>	<b>(5,804)</b>	<b>(946)</b>	<b>(4,373)</b>	<b>(6,093)</b>
<b>EBITDA</b>	<b>1,786</b>	<b>(3,164)</b>	<b>578</b>	<b>(2,922)</b>	<b>(2,826)</b>
<b>EARNING (LOSS) PER SHARE BASIC</b>	<b>(0.0269)</b>	<b>(0.2034)</b>	<b>(0.0207)</b>	<b>(0.1482)</b>	<b>(0.2120)</b>
<b>EARNING (LOSS) PER SHARE DILUTED</b>	<b>(0.0269)</b>	<b>(0.2034)</b>	<b>(0.0207)</b>	<b>(0.1482)</b>	<b>(0.2120)</b>
<b>WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF LOSS PER SHARE:</b>					
<b>BASIC (IN THOUSANDS)</b>	<b>35,594</b>	<b>28,529</b>	<b>45,797</b>	<b>29,516</b>	<b>28,778</b>
<b>DILUTED (IN THOUSANDS)</b>	<b>35,594</b>	<b>28,529</b>	<b>45,797</b>	<b>29,516</b>	<b>28,778</b>