

ELBIT VISION SYSTEMS LTD.

Elbit Vision Systems Ltd. Continues to Show Growth and Improvement in Profitability in Second Quarter Results

	Amounts in US\$ thousands		
	Q2 2007	Q1 2007	2006
Net Sales	5,366	5,053	16,997
Operating Profit	381	355	(4,020)

Kadima, Israel, August 14 , 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 second quarter ended June 30, 2007.

Financial Results

Revenues for the second quarter of 2007 were \$5.36 million, a decrease of 0.7% compared with \$5.4 million in the second quarter of 2006. EBITDA for the second quarter of 2007 was \$0.58 million compared to an EBITDA of \$0.26 million, for the second quarter of 2006, an increase of 123%.

Gross Profit

Gross profit for the second quarter of 2007 was \$2.68 million representing 50% of the Company's sales, an increase of 14% compared with \$2.35 million in the second quarter of 2006 which represented 43.5% of our sales.

Operating Profit

Operating profit before amortization and stock based compensation for the second quarter of 2007 was \$0.6 million representing 11.2% of the Company's sales, compared with a loss of \$0.163 million in the second quarter of 2006.

The company also recently completed a series of previously reported investments in an aggregate amount of \$6.7 million.

"This was a very good quarter for EVS" said Mr. David Gal, the Company's chairman and CEO. "We improved our profitability, as reflected in the

Company's operating profit and EBITDA . We also performed strongly in the USA, Asia and Russia.

We expect to continue increasing our business and improving our profitability over the coming quarters."

About Elbit Vision Systems Ltd. (EVS): 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

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

	Jun-30	Dec-31	
	2007	2006	
	2006		
	U.S. dollars in thousands (except per share data)		
Assets			
CURRENT ASSETS:			
Cash and cash equivalents	368	494	1,060
Restricted deposit	771	1,766	688
Accounts receivable:			
Trade	3,939	3,682	3,198
Other	958	1,346	603
Inventories	4,905	4,219	3,968
Assets held for sale	-	1,951	-
Total current assets	10,941	13,458	9,517
LONG-TERM RECEIVABLES:			
Severance pay fund	1,495	1,785	1,891
Other long-term receivables	658	96	1,066
Total long-term receivables	2,153	1,881	2,957
PROPERTY, PLANT AND EQUIPMENT – net of accumulated depreciation and amortization			
	564	533	455
OTHER ASSETS AND DEFERRED CHARGES -			
net of accumulated amortization:			
Goodwill	3,529	2,872	2,363

Other intangible assets	<u>3,763</u>	4,432	4,098
	<u>7,292</u>	<u>7,304</u>	<u>6,461</u>
Total assets	<u>20,950</u>	<u>23,176</u>	<u>19,390</u>

	<u>Jun-30</u>		<u>Dec-31</u>
	<u>2007</u>	<u>2006</u>	<u>2006</u>
	<u>U.S. dollars in thousands</u>		
	<u>(except per share data)</u>		

Liabilities and shareholders' equity

CURRENT LIABILITIES:

Credit from banks	6,021	2,685	4,713
Current maturities of loan from Related Parties	442	160	160
Short term loan from banks	-	-	2,015
Accounts payable:			
Trade	2,847	2,543	3,502
Deferred revenues	1,357	2,690	1,617
Other	3,686	4,602	3,583
Liabilities associated with assets held for sale	-	353	-
Total current liabilities	<u>14,353</u>	<u>13,033</u>	<u>15,590</u>

LONG-TERM LIABILITIES:

Loans and other liabilities (net of current maturities)	-	289	-
Loans from Related Parties(net of current maturities)	566	2,106	609
Accrued severance pay	1,809	2,185	2,190
Total long-term liabilities	<u>2,375</u>	<u>4,580</u>	<u>2,799</u>
Total liabilities	<u>16,728</u>	<u>17,613</u>	<u>18,389</u>

SHAREHOLDERS' EQUITY

	4,222	5,563 (*)	1,001 (*)
Total liabilities and shareholders' equity	<u>20,950</u>	<u>23,176</u>	<u>19,390</u>

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

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

	6 months ended		3 months ended		year ended
	Jun-30		Jun-30		December 31,
	2007	2006	2007	2006	2006
	U.S. dollars in thousands (except per share data)				
REVENUES	10,419	9,223	5,366	5,406	16,997
COST OF REVENUES	5,376	5,767	2,679	3,055	10,576
CHARGES ASSOCIATED WITH RAILWAYS OF INDIA	-	-	-	-	1,660
GROSS PROFIT	5,043	3,456	2,687	2,351	4,761
RESEARCH AND DEVELOPMENT EXPENSES – net	1,359	1,505	734	743	2,562
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:					
Marketing and selling	2,272	2,044	1,181	1,218	4,149
General and administrative	676	890	391	441	1,870
Reorganization expenses	-	-	-	-	200
OPERATING (LOSS) INCOME	736	(983)	381	(51)	(4,020)
FINANCIAL (EXPENSES) INCOME – net	(684)	(357)	(333)	(268)	(1,332)
OTHER (LOSS) INCOME – net	(65)	(11)	(64)	(3)	(5)

INCOME (LOSS) BEFORE TAXES ON INCOME	(13)	(1,351)	(16)	(322)	(5,357)
TAXES ON INCOME	-	1	(2)	-	5
INCOME (LOSS) FOR THE PERIOD BEFORE DISCONTINUED OPERATION	(13)	(1,352)	(14)	(322)	(5,362)
INCOME (LOSS) OF OPERATION OF DISCONTINUED COMPONENTS	-	(81)	-	(21)	(180)
NET LOSS ON DISPOSAL OF DISCONTINUED OPERATION	-	-	-	-	(551)
NET EARNING (LOSS)	(13)	(1,433)	(14)	(343)	(6,093)
EBITDA	1,208	(401)	576	256	(2,826)
EARNING (LOSS) PER SHARE BASIC	(0.0004)	(0.0517)	(0.0005)	(0.0122)	(0.2120)
EARNING (LOSS) PER SHARE DILUTED	(0.0004)	(0.0517)	(0.0005)	(0.0122)	(0.2120)
WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF LOSS PER SHARE:					
BASIC (IN THOUSANDS)	31,552	27,714	30,534	28,111	28,778
DILUTED (IN THOUSANDS)	31,552	27,714	30,534	28,111	28,778