

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

### **SUBSIDIARY OF ELBIT VISION SYSTEMS LTD. RECEIVES NOTICE OF EXERCISE OF GUARANTEES PROVIDED TO THE INDIAN MINISTRY OF RAILWAYS IN CONNECTION WITH THE SALE OF ULTRASONIC TESTING CARS**

**Yoqneam, Israel October 19, 2006 — Elbit Vision Systems Ltd. (OTCBB: EVSNF.OB)** announced that its fully owned subsidiary ScanMaster Systems (IRT) Ltd. received a notice of exercise of performance guarantees in an amount of \$2.48 million provided to the Indian Ministry of Railways in connection with an agreement to sell to the Ministry two ultrasonic testing cars.

ScanMaster is currently considering its options as to how to mitigate the effect of such exercise and what other avenues of action are available to it. In light of a national holiday in India, Elbit Vision Systems Ltd. will publish a detailed press release next week once all of the issues regarding the exercise and the available courses of action have been clarified.

**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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