



EVS - Your Quality Our Vision

ELBIT VISION SYSTEMS LTD.

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ELBIT VISION SYSTEMS ANNOUNCES FIRST QUARTER 2016 RESULTS

***Revenues at \$2.3 million: up 19% year-over-year
Net income at \$0.5 million: up 27% year-over-year***

First Quarter 2016 highlights

- Revenue at \$2.3 million, up 19% year-over-year;
- Gross and operating margins at 57.8% and 21.3%, respectively;
- Net income of \$460 thousand, representing 19.8% of revenues;
- Shareholders' equity reached \$4.2 million with cash at \$3.7 million;

Caesarea, Israel, May 9, 2016 — Elbit Vision Systems Ltd. (OTCBB: EVSNF), a pioneer in the science of camera-based automatic vision inspection for textile fabrics and technical webs, announced today its consolidated financial results for the quarter ending March 31, 2016.

Sam Cohen, CEO of EVS commented, “Our first quarter results show continued growth with increased sales and profitability. For nine consecutive quarters EVS has shown a profit, and given our momentum in orders, 2016 looks to be another solid year. Our legacy products continue to outperform expectations, while iBar has become a significant contributor to our bottom line. As we continue to separate ourselves from our competition through the development of essential, unique tools, we know our best days are still ahead.”

First Quarter 2016 Results

Revenues for the quarter were \$2.3 million, representing an increase of 19% compared to \$1.9 million in the first quarter of 2015.

Gross profit for the quarter was \$1.35 million, representing 57.8% of revenues, an increase of 19% compared to \$1.12 million for the first quarter of 2015, which represented 57.5% of revenues.

Operating income for the quarter was \$496 thousand (21.3% of revenue), an increase of 9% compared to \$457 thousand (23.4% of revenues) in the first quarter of 2015.

Net income was \$460 thousand (19.8% of revenue), an increase of 27% compared to \$363 thousand (18.6% of revenues) in the first quarter of 2015.

Conference call details

The Company will also host a conference call today, May 9, starting at 9:30 am ET. Sam Cohen, Chief Executive Officer and Yaron Menashe, Chief Financial Officer, will host the call and will be available to answer questions after presenting the results.

To participate, please call one of the following telephone numbers at least 10 minutes before the start of the call:

| | | |
|----------------|-----------------|-------------------------|
| US: | 1 888 281 1167 | at 9:30 am Eastern Time |
| Israel: | 03 918 0691 | at 4:30 pm Israel Time |
| International: | +972 3 918 0691 | |

For those unable to participate, the teleconference will be available for replay on Elbit Vision Systems' website at <http://www.evs.co.il/> beginning 24 hours after the call.

About Elbit Vision Systems Ltd. (EVS): 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 800 customers, many of which are leading global companies.

This press release and other releases are available on 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.

FINANCIAL TABLES FOLLOW

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED BALANCE SHEET
AT MARCH 31, 2016
IN U.S. DOLLARS

| | Mar-31 | | Dec-31 |
|---|--|--------------|---------------|
| | 2016 | 2015 | 2015 |
| | U.S. dollars in thousands (except per share data) | | |
| Assets | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 3,692 | 957 | 3,305 |
| Restricted deposits (short term) | 120 | 34 | 69 |
| Trade accounts receivable | 1,264 | 1,029 | 1,383 |
| Other receivables | 79 | 178 | 78 |
| Inventories | 1,535 | 935 | 1,419 |
| Total current assets | 6,690 | 3,133 | 6,254 |
| LONG-TERM RECEIVABLES: | | | |
| Severance pay fund | 140 | 190 | 193 |
| Other long-term receivables | 85 | 85 | 67 |
| Total long-term receivables | 225 | 275 | 260 |
| PROPERTY, PLANT AND EQUIPMENT – net of accumulated depreciation and amortization | | | |
| | 35 | 26 | 36 |
| OTHER ASSETS | | | |
| Goodwill | 242 | 242 | 242 |
| Total assets | 7,192 | 3,676 | 6,792 |

| | <u>Mar-31</u> | | <u>Dec-31</u> |
|---|---------------------|---------------------|---------------------|
| | <u>2016</u> | <u>2015</u> | <u>2015</u> |
| | <u>In thousands</u> | | |
| Liabilities and shareholders' equity | | | |
| CURRENT LIABILITIES: | | | |
| Credit from banks | 146 | 183 | 149 |
| Current Maturities of Loan from Other | - | 128 | - |
| Trade account payable | 992 | 607 | 1,171 |
| Deferred revenues | 365 | 318 | 324 |
| Other payables | 648 | 550 | 441 |
| Total current liabilities | <u>2,151</u> | <u>1,786</u> | <u>2,085</u> |
| LONG-TERM LIABILITIES: | | | |
| Long Terms Loans (Net of current maturities) | 346 | 435 | 373 |
| Other Long Terms liabilities | 355 | 488 | 429 |
| Accrued severance pay | 156 | 200 | 206 |
| Total long-term liabilities | <u>856</u> | <u>1,123</u> | <u>1,008</u> |
| Total liabilities | <u>3,007</u> | <u>2,909</u> | <u>3,093</u> |
| SHAREHOLDERS' EQUITY | 4,185 | 767 | 3,699 |
| Total liabilities and shareholders' Equity | <u><u>7,192</u></u> | <u><u>3,676</u></u> | <u><u>6,792</u></u> |

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2016
IN U.S. DOLLARS

| | 3 months ended | | year |
|--|----------------------------------|-------------|-----------------|
| | Mar-31 | | ended |
| | 2016 | 2015 | December |
| | | | 31, |
| | | | 2015 |
| | U.S. dollars in thousands | | |
| | (except per share data) | | |
| Revenues | 2,329 | 1,949 | 9,128 |
| Cost of Revenues | 982 | 828 | 3,882 |
| Gross Profit | 1,347 | 1,121 | 5,246 |
| Research and development | 273 | 131 | 765 |
| Marketing and selling | 374 | 344 | 1,411 |
| General and administrative | 204 | 189 | 808 |
| Operating Income | 496 | 457 | 2,262 |
| Financial Expenses - net | (36) | (94) | (144) |
| Profit before taxes on income | 460 | 363 | 2,118 |
| Taxes on Income | - | - | - |
| Net profit for the period | 460 | 363 | 2,118 |
| Profit per share basic | 0.005 | 0.004 | 0.025 |
| Profit per share diluted | 0.005 | 0.004 | 0.025 |
| Weighted average number of shares used in Computation of profit per share: | | | |
| Basic (in thousands) | 93,328 | 85,229 | 85,461 |
| Diluted (in thousands) | 93,533 | 85,260 | 85,681 |