

ELBIT VISION SYSTEMS LTD.



Company Contact Information:

Yaron Menashe, CFO

Tel: +972 4 6107609

yaron@evs.co.il

ELBIT VISION SYSTEMS ANNOUNCES Q3 2012 RESULTS

- *Revenues over first 3 quarters in 2012 increased 26% from over same period in 2011*
- *Q3 revenues of \$1.76 million*
- *Operating profits of \$0.26 million and net profits of \$0.25 million constituting 14.8% and 14.2% of net revenues, respectively*

Caesarea, Israel, November 8, 2012 — **Elbit Vision Systems Ltd. (OTCBB: EVSNF.OB)**, a global provider of vision technology for automatic surface inspection and in-line quality monitoring systems, today announced its consolidated financial results for the three month period ending September 30, 2012.

Third Quarter 2012 Results:

Revenues for the third quarter of 2012 were \$1.76 million, representing an increase of 28% compared to \$1.56 million for the third quarter of 2011.

Gross profit on a US GAAP basis was \$1 million, representing 56.8% of revenues, compared with a gross profit of \$0.95 million for the third quarter of 2011.

Operating profit on a US GAAP basis was \$262 thousand compared with an operating profit of \$241 thousand in the third quarter of 2011.

Net profit on a US GAAP basis for the third quarter of 2012 was \$250 thousand, compared to a net profit of \$327 thousand in the third quarter of 2011.

Sam Cohen, CEO of EVS commented on the results, "These results verify that EVS remain on target to meet our goals. Our global strategy of diversification has promoted gains in areas with strong growth and sheltered us from losses in territories with weak economic performance. We continue to invest resources in building infrastructure in emerging markets to support our expanding product portfolio. Our marketing feedback indicates that virtually every industrial line can benefit from our innovative products in the foreseeable future."

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 700 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.

Use of Non-GAAP financial measures

EVS uses EBITDA as a non-GAAP financial performance measurement. EBITDA is calculated by adding back to net income interest, taxes, depreciation, amortization. EBITDA is provided to investors to complement results provided in accordance with GAAP, as management believes the measure helps illustrate underlying operating trends in the Company's business and uses the measure to establish internal budgets and goals, manage the business and evaluate performance. EBITDA should not be considered in isolation or as a substitute for comparable measures calculated and presented in accordance with GAAP.

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED BALANCE SHEET
AT SEPTEMBER 30, 2012
IN U.S. DOLLARS

| | Sep-30 | 2011 | Dec-31 |
|--|---------------|-------------|---------------|
| | 2012 | 2011 | 2011 |
| U.S. dollars in thousands (except per share data) | | | |
| Assets | | | |
| CURRENT ASSETS: | | | |
| Cash and cash equivalents | 328 | 404 | 730 |
| Restricted deposit (short term) | 39 | 40 | 90 |
| Accounts receivable: | | | |
| Trade | 1,703 | 920 | 793 |
| Other | 187 | 116 | 121 |
| Inventories | 627 | 439 | 476 |
| Total current assets | 2,884 | 1,919 | 2,210 |
| LONG-TERM RECEIVABLES: | | | |
| Severance pay fund | 244 | 169 | 221 |
| Other long-term receivables and investment | 204 | 211 | 225 |
| Total long-term receivables | 448 | 380 | 446 |
| PROPERTY AND EQUIPMENT (net of accumulated depreciation and amortization) | | | |
| | 46 | 52 | 50 |
| OTHER ASSETS - | | | |
| Goodwill | 242 | 242 | 242 |
| Total assets | 3,620 | 2,593 | 2,948 |

| | <u>Sep-30</u> | | <u>Dec-31</u> |
|--|---------------|-------------|---------------|
| | <u>2012</u> | <u>2011</u> | <u>2011</u> |
| <u>U.S. dollars in thousands</u> <u>(except per share data)</u> | | | |
| Liabilities and shareholders' equity | | | |
| CURRENT LIABILITIES: | | | |
| Credit from banks | 191 | 185 | 190 |
| Current Maturities of Loan from Shareholder and Other | 370 | 320 | 361 |
| Accounts payable and accruals: | | | |
| Trade | 815 | 671 | 437 |
| Deferred income | 30 | 45 | 498 |
| Other | 578 | 370 | 411 |
| Total current liabilities | 1,984 | 1,591 | 1,897 |
| LONG-TERM LIABILITIES: | | | |
| Long Terms Loans From Banks (Net of current maturities) | 875 | 1,070 | 1,024 |
| Loans and other liabilities (net of current maturities) | 382 | 555 | 509 |
| Loan from shareholder (net of current maturities) | - | 138 | 100 |
| Other Long Terms liabilities | 780 | 943 | 862 |
| Accrued severance pay | 263 | 222 | 241 |
| Total long-term liabilities | 2,300 | 2,928 | 2,736 |
| Total liabilities | 4,284 | 4,519 | 4,633 |
| SHAREHOLDERS' DEFICIENCY | (664) | (1,926) | (1,685) |
| Total liabilities and shareholders' equity | 3,620 | 2,593 | 2,948 |

ELBIT VISION SYSTEMS LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE NINE AND THREE-MONTHS PERIOD ENDED SEPTEMBER 30, 2012
IN U.S. DOLLARS

| | 9 months ended | | 3 months ended | | year ended |
|--|--|-------|----------------|-------|--------------|
| | Sep-30 | | Sep-30 | | December 31, |
| | 2012 | 2011 | 2012 | 2011 | 2011 |
| | U.S. dollars in thousands (except per share data) | | | | |
| REVENUES | 5,347 | 4,234 | 1,765 | 1,557 | 5,645 |
| COST OF REVENUES | 2,226 | 1,501 | 765 | 602 | 2,020 |
| GROSS PROFIT | 3,121 | 2,733 | 1,000 | 955 | 3,625 |
| RESEARCH AND DEVELOPMENT EXPENSES – net | 521 | 469 | 167 | 155 | 643 |
| SELLING, GENERAL AND ADMINISTRATIVE EXPENSES: | | | | | |
| Marketing and selling | 1,088 | 900 | 399 | 376 | 1,244 |
| General and administrative | 509 | 515 | 172 | 183 | 656 |
| OPERATING PROFIT | 1,003 | 849 | 262 | 241 | 1,082 |
| FINANCIAL INCOME (EXPENSES) - net | (2) | 12 | (12) | 86 | 31 |
| OTHER INCOME (EXPENSES) – net | 2 | (2) | - | (2) | (24) |
| PROFIT BEFORE TAXES ON INCOME | 1,003 | 859 | 250 | 325 | 1,089 |
| TAXES ON INCOME | - | - | - | - | - |
| NET PROFIT FOR THE PERIOD | 1,003 | 859 | 250 | 325 | 1,089 |
| PROFIT PER SHARE BASIC | 0.014 | 0.012 | 0.004 | 0.005 | 0.016 |
| PROFIT PER SHARE DILUTED | 0.014 | 0.012 | 0.004 | 0.005 | 0.015 |
| WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF PROFIT PER | | | | | |

| | | | | | |
|-------------------------------|---------------|--------|---------------|--------|--------|
| SHARE: | | | | | |
| BASIC (IN THOUSANDS) | 69,653 | 69,653 | 69,653 | 69,653 | 69,653 |
| DILUTED (IN THOUSANDS) | 71,916 | 70,936 | 71,124 | 71,066 | 71,309 |