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

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## **ELBIT VISION SYSTEMS ANNOUNCES SECOND QUARTER 2014 RESULTS**

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***Revenues of \$1.57 million growing 33% year-over-year; Non-GAAP net profit of \$198 thousand***

**Caesarea, Israel, August 12, 2014** — 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 June 30, 2014.

### **Second Quarter 2014 Results**

Revenues for the quarter were \$1.57 million, representing an increase of 33% compared to \$1.18 million in the second quarter of 2013.

Gross profit for the quarter was \$0.8 million, representing 50.8% of revenues, compared to \$0.62 million for the second quarter of 2013, representing 52.5% of revenues.

Operating income for the quarter was \$23 thousand compared with an operating profit of \$5 thousand in the second quarter of 2013.

Net income on a non-GAAP basis for the quarter was \$198 thousand, compared to a net loss of \$27 thousand in the second quarter of 2013. Net income on a GAAP basis was \$16 thousand compared to a net loss of \$31 thousand in the second quarter of 2013.

### **Management Comment**

**Sam Cohen, CEO of EVS commented,** “Our latest results are encouraging, showing strong growth in revenue and a positive trend in profits. We are more than pleased that iBar has begun to make an impact on our bottom line. Early revenues from this tremendous product are beginning to be felt, and the market reception has been very positive. We believe we will carry this momentum into the third quarter where we expect revenues of around \$1.7 million with further improvement in our profitability.”

### **Conference call details**

The Company will also host a conference call today August 12, starting at 10:00 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 10:00 am Eastern Time
Israel:	03 918 0610	at 5:00 pm Israel Time
International:	+972 3 918 0610	

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

**About Elbit Vision Systems Ltd. (EVS):** [www.evs.co.il](http://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](http://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 JUNE 30, 2014  
 IN U.S. DOLLARS

	<b>Jun-30</b>	<b>Dec-31</b>
	<b>2014</b>	<b>2013</b>
	<b>U.S. dollars in thousands</b> <b>(except per share data)</b>	
<b>Assets</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	289	910
Restricted deposit (short term)	34	32
Trade Account receivables	1,206	894
Other receiveables	158	149
Inventories	938	760
<b>Total current assets</b>	<b>2,625</b>	<b>2,745</b>
<b>LONG-TERM RECEIVABLES:</b>		
Severance pay fund	299	284
Other long-term receivables and investment	101	181
<b>Total long-term receivables</b>	<b>400</b>	<b>465</b>
<b>PROPERTY AND EQUIPMENT</b> (net of accumulated depreciation and amortization)		
	<b>25</b>	<b>38</b>
<b>OTHER ASSETS -</b>		
Goodwill	242	242
<b>Total assets</b>	<b>3,292</b>	<b>3,490</b>

	<b>Jun-30</b>		<b>Dec-31</b>
	<b>2014</b>	<b>2013</b>	<b>2013</b>
<b>U.S. dollars in thousands (except per share data)</b>			
<b>Liabilities and shareholders' equity</b>			
<b>CURRENT LIABILITIES:</b>			
Credit from banks	<b>183</b>	180	183
Current Maturities of Loan from Shareholder and Other	<b>370</b>	370	370
Trade Accounts payable	<b>670</b>	430	738
Deferred revenues	<b>466</b>	55	38
Other payable	<b>657</b>	405	523
<b>Total current liabilities</b>	<b>2,346</b>	1,440	1,852
<b>LONG-TERM LIABILITIES:</b>			
Long Terms Loans (Net of current maturities)	<b>658</b>	1,012	838
Other Long Terms liabilities	<b>652</b>	718	708
Accrued severance pay	<b>317</b>	301	314
<b>Total long-term liabilities</b>	<b>1,627</b>	2,031	1,860
<b>Total liabilities</b>	<b>3,973</b>	3,471	3,712
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>	<b>(681)</b>	19	(872)
Total liabilities and shareholders' equity (deficiency)	<b>3,292</b>	3,490	2,840

**ELBIT VISION SYSTEMS LTD.**  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE SIX AND THREE-MONTHS PERIOD ENDED JUNE 30, 2014  
IN U.S. DOLLARS

	6 months ended		3 months ended		year ended
	Jun-30		Jun-30		December 31,
	2014	2013	2014	2013	2013
	U.S. dollars in thousands (except per share data)				
<b>REVENUES</b>	<b>2,911</b>	2,439	<b>1,573</b>	1,183	4,258
<b>COST OF REVENUES</b>	<b>1,465</b>	1,223	<b>773</b>	562	2,479
<b>GROSS PROFIT</b>	<b>1,446</b>	1,216	<b>800</b>	621	1,779
<b>RESEARCH AND DEVELOPMENT EXPENSES – net</b>	<b>232</b>	317	<b>125</b>	165	625
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:</b>					
Marketing and selling	<b>474</b>	525	<b>257</b>	254	1,022
General and administrative	<b>355</b>	371	<b>184</b>	197	866
<b>OPERATING PROFIT</b>	<b>385</b>	3	<b>234</b>	5	(734)
<b>FINANCIAL INCOME (EXPENSES) - net</b>	<b>(194)</b>	(93)	<b>(218)</b>	(36)	(278)
<b>OTHER INCOME (EXPENSES) – net</b>	<b>-</b>	-	<b>-</b>	-	-
<b>PROFIT (LOSS) BEFORE TAXES ON INCOME</b>	<b>191</b>	(90)	<b>16</b>	(31)	(1,012)
<b>TAXES ON INCOME</b>	<b>-</b>	-	<b>-</b>	-	-
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>	<b>191</b>	(90)	<b>16</b>	(31)	(1,012)
<b>PROFIT (LOSS) PER SHARE BASIC</b>	<b>0.002</b>	(0.001)	<b>0.000</b>	(0.000)	(0.013)
<b>PROFIT (LOSS) PER SHARE DILUTED</b>	<b>0.002</b>	(0.001)	<b>0.000</b>	(0.000)	(0.013)
<b>WEIGHTED AVERAGE NUMBER OF SHARES USED IN COMPUTATION OF LOSS PER</b>					

**SHARE:**

<b>BASIC (IN THOUSANDS)</b>	<b>80,798</b>	75,562	<b>80,798</b>	76,223	78,155
<b>DILUTED (IN THOUSANDS)</b>	<b>80,798</b>	75,562	<b>80,798</b>	76,223	78,155