

**FOR IMMEDIATE RELEASE**

CONTACTS:

**Broadford & Maloney Inc.**

Martin Maloney or Josef Rosenberg  
203-661-2900, m.maloney@bmc corp.com

**Advanced Vision Technology Inc.**

Lance Shumaker  
770-541-9780, lances@avt-inc.com



---

**AVT POSTS RECORD YEAR – PROFITS AND REVENUES UP**

---

**Sales Rise by 24 Percent to USD 21.4 Million.  
Annual Net Income Jumps to USD 2.2 Million.  
Q4 Marks 12<sup>th</sup> Consecutive Quarter of Growth.**

---

**Hod-Hasharon, Israel, January 31, 2005** - Advanced Vision Technology Ltd. (AVT, Prime Standard of the Frankfurt Stock Exchange, ISIN: IL001837248), the world's leading provider of automatic optical inspection and quality assurance systems for the printing and packaging industry, enjoyed a highly successful year, increasing its sales by 24 percent in 2004 to reach USD 21.4 million. Fourth-quarter sales amounted to USD 5.9 million, an increase of 28% on the equivalent period in the previous year. These results represent the twelfth consecutive quarter of growth for the company.

Shlomo Amir, President and CEO of AVT made the following comments on the results: "We envisage this growth continuing throughout 2005 in view of the incoming orders in the fourth quarter which rose by 67 percent over the same period of 2003, to more than USD 7 million. We believe this great success reflects our innovative products, which have received a warm reception from customers and immense success at the industry's two major exhibitions."

In parallel to its ongoing sales growth, AVT also reported considerable progress in terms of its profitability. Annual net income grew from USD 0.5 million in 2003 to USD 2.2 million in 2004. Earning per share rose from USD 0.09 in 2003 to USD 0.48 for 2004.

***MORE...***

“Having managed to turn profitable in 2003, our income statement for 2004 reflects success at all levels. Increased profitability was achieved through overall sales volume growth, reinforced by efficient cost management. This enabled us to more than compensate for the overall rise in marketing and selling expenses,” said Shlomo Amir.

The gross margin rose from 58.9 percent in 2003 to 61.3 percent during the reported year. Earnings before interest, tax, depreciation and amortization (EBITDA) grew from USD 0.8 million to USD 2.3 million in 2004. The cash flow from operating activities amounted to USD 1.35 million in 2004. The liquid funds available to the company reached more than USD 21 million.

2004 saw AVT celebrate its first notable sales from the label printing inspection systems division. AVT first entered this market in 2003, having previously provided solutions primarily for packaging printing. With an     percent share of sales, the packaging printing segment remains the most important division of the company and continues to grow. However, label printing solutions already make up     percent of total sales.

A breakdown of AVT’s sales markets shows that 42 percent of sales were generated in Europe, with 37.4 percent in America. Whilst these remain the dominant markets, increasing sales outside of Europe and America now account for 20.6 percent of AVT’s sales. Major orders from China, the Philippines and Thailand have significantly contributed to this growth, with further interest being received from India, Taiwan and Australia.

“We are confident that we will be able to maintain our success in 2005. We will be focusing on our close partnerships with suppliers of industrial equipment, OEMs and our customers, as well as on the selection of suitable technology partners and the identification of promising acquisition targets,” concluded Shlomo Amir.

**MORE...**

## **About AVT**

Advanced Vision Technology (AVT) is the world's leading provider of machine vision-based automatic optical inspection systems for the printing industry. The company develops and manufactures automatic web inspection systems for the printing industry.

AVT is dedicated to providing the gravure, flexo and offset printing industry with superior products and services while bringing the industry to a level of automation that other sectors have been enjoying for years. The company, which has more than 900 systems installed worldwide, employs 110 people.

AVT is a public company listed in the Prime Standard of the Frankfurt Stock Exchange. The company is based in Israel, with marketing, sales and support offices in the United States and Europe. For further information, visit [www.avt-inc.com](http://www.avt-inc.com).

- B M I -

### **Safe Harbor Statement**

*Certain statements in this press release are forward-looking statements. Because such statements deal with future events, they are subject to various risks and uncertainties and actual results could differ materially from our current expectations. Factors that could cause or contribute to such differences include, but are not limited to: the impact on revenues of economic and political uncertainties, and weaknesses in various regions of the world, including the commencement or escalation of hostilities or acts of terrorism; any unforeseen developmental or technological difficulties with regard to our products; changes in the competitive landscape, including new competitors or the impact of competitive pricing and products; a shift in demand for products such as ours; unknown factors affecting third parties with which we have formed business alliances; timely availability and customer acceptance of our new and existing products, and other factors and risks discussed in our Annual Report for the year ended December 31, 2004. We assume no obligation to update information concerning our expectations.*