



---

FOR IMMEDIATE RELEASE

**Cimatron Reports Revenues of \$10.2 million and Non-GAAP Operating Profit of \$1.0 million in Q1 2013**

- *Record Q1 for both software license revenues and maintenance revenues*
- *6% year-over-year increase in recurring maintenance revenues*

Givat Shmuel, Israel, – May 13<sup>th</sup>, 2013 – Cimatron Limited (NASDAQ: CIMT), a leading provider of integrated CAD/CAM software solutions for the toolmaking and manufacturing industries, today announced financial results for the first quarter of 2013.

Commenting on the results, Danny Haran, President and Chief Executive Officer of Cimatron, noted, “We are pleased to report yet another record first quarter in terms of software license and maintenance revenues. Moreover, we are pleased with the healthy growth in our recurring maintenance revenues, indicating the increased confidence that our customers have in our software solutions, in realizing the benefits of staying updated with our latest product versions. While our overall year-over-year revenue growth was modest in the quarter, this was due mainly to license revenue recognition considerations that dictated deferring certain revenues. We believe that we will be able to recognize these later on this year.

We continue to explore the opportunities in software solutions for the field of additive manufacturing, more commonly known as 3D printing, and we are looking into how we can better serve customers who apply this emerging technology into their manufacturing processes. In line with our additive manufacturing strategy, we are also examining partnerships and M&A opportunities with companies that possess technologies related to this field.

Given the opportunities we see in some of our markets, we recently increased our investment in sales and marketing, with emphasis on the emerging markets and the territories that we have identified with stronger potential for further growth. We trust that these efforts, together with full adoption by customers of the new CimatronE and GibbsCAM product versions in all regions, will bear fruit in the coming quarters,” concluded Mr. Haran.

---

---



---

The following provides details on Cimatron's GAAP and non-GAAP results for the first quarter of 2013:

**GAAP:**

**Revenues** for the first quarter of 2013 were \$10.2 million, compared to \$9.9 million recorded in the first quarter of 2012.

**Gross Profit** for the first quarter of 2013 was \$8.8 million, as compared to \$8.5 million in the same period in 2012. Gross margin in the first quarter of 2013 increased to 87% of revenues, compared to 86% in the first quarter of 2012.

**Operating profit** in the first quarter of 2013 was \$0.8 million, as compared to \$0.9 million in the same period in 2012.

**Net Profit** for the first quarter of 2013 was \$0.6 million, or \$0.06 per diluted share, compared to a net profit of \$0.8 million, or \$0.09 per diluted share, recorded in the same quarter of 2012.

**Non-GAAP:**

**Revenues** for the first quarter of 2013 were \$10.2 million, compared to \$9.9 million recorded in the first quarter of 2012.

**Gross Profit** for the first quarter of 2013 was \$9.0 million, as compared to \$8.6 million in the same period in 2012. Gross margin in the first quarter of 2013 increased to 88% of revenues, compared to 87% in the first quarter of 2012.

**Operating Profit** in the first quarter of 2013 was \$1.0 million, as compared to \$1.1 million in the same period in 2012.

**Net profit** for the first quarter of 2013 was \$0.7 million, or \$0.08 per diluted share, compared to a net profit of \$1.0 million, or \$0.11 per diluted share, recorded in the same quarter of 2012.

---



---

## Conference Call

Cimatron's management will host a conference call today, May 13<sup>th</sup>, 2013, at 9:00 EDT, 16:00 Israel time. On the call, management will review and discuss the results, and will answer questions by investors.

To participate, please call one of the following teleconferencing numbers. Please begin placing your call at least 5 minutes before the conference call commences.

USA: +1-888-668-9141  
International: +972-3-9180610  
Israel: 03-9180610

For those unable to listen to the live call, a replay of the call will be available beginning on the day after the call at the investor relations section of Cimatron's website, at: [www.cimatron.com](http://www.cimatron.com)

Reconciliation between results on a GAAP and non-GAAP basis is provided in a table immediately following the Consolidated Statements of Income included herein. Non-GAAP financial measures consist of GAAP financial measures adjusted to include recognition of deferred revenues of acquired companies and to exclude amortization of acquired intangible assets and deferred income tax, as well as certain business combination and other accounting entries. The purpose of such adjustments is to give an indication of our performance exclusive of non-cash charges and other items that are considered by management to be outside of our core operating results. Our non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP measures, and should be read in conjunction with our consolidated financial statements prepared in accordance with GAAP.

Our management regularly uses our supplemental non-GAAP financial measures internally to understand, manage and evaluate our business and make operating decisions. We believe that these non-GAAP measures help investors to understand our current and future operating performance, especially as our two most recent acquisitions have resulted in amortization and non-cash items that have had a material impact on our GAAP results. These non-GAAP financial measures may differ materially from the non-GAAP financial measures used by other companies.

---



---

## About Cimatron

With 30 years of experience and more than 40,000 installations worldwide, Cimatron is a leading provider of integrated, CAD/CAM software solutions for mold, tool and die makers as well as manufacturers of discrete parts. Cimatron is committed to providing comprehensive, cost-effective solutions that streamline manufacturing cycles and ultimately shorten product delivery time.

The Cimatron product line includes the CimatronE and GibbsCAM brands with software solutions for mold design, die design, electrode design, 2.5 to 5 Axis milling, wire EDM, turn, Mill-turn, rotary milling, multi-task machining, and tombstone machining. Cimatron's subsidiaries and extensive distribution network serve and support customers in the automotive, aerospace, medical, consumer plastics, electronics, and other industries in over 40 countries worldwide.

Cimatron's shares are publicly traded on the NASDAQ under the symbol CIMT. For more information, please visit Cimatron's web site at: <http://www.cimatron.com>

## Safe Harbor Statement

*This press release includes forward looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which are subject to risk and uncertainties that could cause actual results to differ materially from those anticipated. Such statements may relate to Cimatron's plans, objectives and expected financial and operating results. The words "may," "could," "would," "will," "believe," "anticipate," "estimate," "expect," "intend," "plan," and similar expressions or variations thereof are intended to identify forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, many of which are beyond Cimatron's ability to control. The risks and uncertainties that may affect forward looking statements include, but are not limited to: currency fluctuations, global economic and political conditions, marketing demand for Cimatron products and services, long sales cycles, new product development, assimilating future acquisitions, maintaining relationships with customers and partners, and increased competition. For more details about the risks and uncertainties related to Cimatron's business, refer to Cimatron's filings with the Securities and Exchange Commission. Cimatron cannot assess the impact of or the extent to which any single factor or risk, or combination of them, may cause. Cimatron undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.*

## Company Contact:

Ilan Erez, Chief Financial Officer  
Cimatron Ltd.  
Tel.: 972-73-237-0114  
Email: [ilane@imatron.com](mailto:ilane@imatron.com)

## Investor Relations contact

Ehud Helft/Kenny Green  
CCG Investor Relations  
Tel: (US) 1 646 201 9246  
Email: [Cimatron@ccgisrael.com](mailto:Cimatron@ccgisrael.com)

---

**CIMATRON LIMITED**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(US Dollars in thousands, except for per share data)

	<u>Three months ended</u>	
	March 31,	
	<u>2013</u>	<u>2012</u>
Total revenue	10,158	9,886
Total cost of revenue	<u>1,326</u>	<u>1,418</u>
Gross profit	8,832	8,468
Research and development expenses	1,728	1,693
Selling, general and administrative expenses	<u>6,326</u>	<u>5,886</u>
Operating income	778	889
Financial income, net	16	113
Taxes on income	(192)	(174)
Other	<u>2</u>	<u>15</u>
Net income	604	843
Less: Net income attributable to the noncontrolling interest	-	(12)
Net income attributable to Cimatron's shareholders	<u>\$ 604</u>	<u>\$ 831</u>
Net income per share - basic and diluted	<u>\$ 0.06</u>	<u>\$ 0.09</u>
Weighted average number of shares outstanding		
Basic EPS (in thousands)	<u>9,348</u>	<u>9,301</u>
Diluted EPS (in thousands)	<u>9,358</u>	<u>9,318</u>

**CIMATRON LIMITED**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP INFORMATION**  
(US Dollars in thousands, except for per share data)

	Three months ended							
	March 31,							
	2013				2012			
GAAP	Adj.	NON-GAAP	GAAP	Adj.	NON-GAAP			
Total revenue	10,158	-	10,158	9,886	-	9,886		
Total cost of revenue (1)	1,326	(147)	1,179	1,418	(147)	1,271		
Gross profit	8,832	147	8,979	8,468	147	8,615		
Research and development expenses	1,728	-	1,728	1,693	-	1,693		
Selling, general and administrative expenses (1)	6,326	(53)	6,273	5,886	(99)	5,787		
Operating income	778	200	978	889	246	1,135		
Financial income, net	16	-	16	113	-	113		
Taxes on income (2)	(192)	(91)	(283)	(174)	(91)	(265)		
Other	2	-	2	15	-	15		
Net income	604	109	713	843	155	998		
Less: Net income attributable to the noncontrolling interest	-	-	-	(12)	-	(12)		
Net income attributable to Cimatron's shareholders	\$ 604	\$ 109	\$ 713	\$ 831	\$ 155	\$ 986		
Net income per share - basic and diluted	\$ 0.06		\$ 0.08	\$ 0.09		\$ 0.11		
Weighted average number of shares outstanding								
Basic EPS (in thousands)	9,348		9,348	9,301		9,301		
Diluted EPS (in thousands)	9,358		9,358	9,318		9,318		

(1) Non-GAAP adjustment to exclude non-cash amortization of acquired intangible assets.

(2) Non-GAAP adjustment to exclude the effect of deferred taxes and other tax provisions.

**CIMATRON LIMITED**  
**CONSOLIDATED BALANCE SHEETS**  
(US Dollars in thousands)

	<u>March 31,</u> <u>2013</u>	<u>December 31,</u> <u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Total cash, cash equivalents and short-term investments	\$ 9,426	\$ 11,903
Trade receivables	6,843	6,049
Other current assets	2,501	1,788
Total current assets	<u>18,770</u>	<u>19,740</u>
Deposits with insurance companies and severance pay fund	<u>3,406</u>	<u>3,296</u>
Net property and equipment	<u>836</u>	<u>875</u>
Net other assets	<u>10,193</u>	<u>10,499</u>
Total assets	<u>\$ 33,205</u>	<u>\$ 34,410</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Short-term bank credit	\$ 5,729	\$ 1
Trade payables	1,129	1,169
Accrued expenses and other liabilities	5,784	7,204
Deferred revenues	4,725	2,843
Total current liabilities	<u>17,367</u>	<u>11,217</u>
<b>LONG-TERM LIABILITIES:</b>		
Accrued severance pay	4,631	4,453
Deferred tax liability	184	275
Total long-term liabilities	<u>4,815</u>	<u>4,728</u>
Total shareholders' equity	<u>11,023</u>	<u>18,465</u>
Total liabilities and shareholders' equity	<u>\$ 33,205</u>	<u>\$ 34,410</u>

**CIMATRON LIMITED**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(US Dollars in thousands)

	<u>Noncontrolling Interest</u>	<u>Share capital</u>	<u>Additional paid-in capital</u>	<u>Accumulated other comprehensive income (loss)</u>	<u>Retained earnings (accumulated deficit)</u>	<u>Treasury stock</u>	<u>Comprehensive income (loss)</u>	<u>Total shareholders' equity</u>
Balance at December 31, 2012	\$ 28	\$ 313	\$ 18,906	\$ (6)	\$ (24)	\$ (752)		\$ 18,465
<b>Changes during the three months ended March 31, 2013:</b>								
Net income	-				604		604	604
Cash distribution to shareholders			(7,874)					(7,874)
Unrealized gain on derivative instruments				8			8	8
Other				(114)			(114)	(114)
Foreign currency translation adjustment				(66)			(66)	(66)
<b>Total comprehensive income</b>							<u>432</u>	
Balance at March 31, 2013	<u>\$ 28</u>	<u>\$ 313</u>	<u>\$ 11,032</u>	<u>\$ (178)</u>	<u>\$ 580</u>	<u>\$ (752)</u>		<u>\$ 11,023</u>



**CIMATRON LIMITED**  
**STATEMENTS OF CASH FLOWS**  
(US Dollars in thousands)

	three months ended	
	March 31,	
	2013	2012
<b>Cash flows from operating activities:</b>		
Net income	\$ 604	\$ 843
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities:</b>		
Depreciation and amortization	293	337
Increase in accrued severance pay	86	218
Deferred taxes, net	(90)	(92)
<b>Changes in assets and liabilities:</b>		
Increase in accounts receivable and prepaid expenses	(1,194)	(755)
Increase in inventory	-	(21)
Increase in deposits with insurance companies and severance pay fund	(110)	(118)
Increase in trade payables, accrued expenses and other liabilities	280	1,941
<b>Net cash provided by (used in) operating activities</b>	<b>(131)</b>	<b>2,353</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property and equipment	7	-
Purchase of property and equipment	(49)	(63)
<b>Net cash used in investing activities</b>	<b>(42)</b>	<b>(63)</b>
<b>Cash flows from financing activities:</b>		
Short-term bank credit	5,658	663
Long-term bank credit	-	(1)
Cash distribution to shareholders	(7,874)	-
Proceeds from issuance of shares upon exercise of options	-	14
<b>Net cash provided by (used in) financing activities</b>	<b>(2,216)</b>	<b>676</b>
Net increase (decrease) in cash and cash equivalents	(2,389)	2,966
Effect of exchange rate changes on cash	(88)	151
Cash and cash equivalents at beginning of period	11,903	11,787
<b>Cash and cash equivalents at end of period</b>	<b>\$ 9,426</b>	<b>\$ 14,904</b>
<b>Appendix A - Non-cash transactions</b>		
Purchase of property on credit	\$ 5	\$ 8