



FOR IMMEDIATE RELEASE

DGT HOLDINGS REPORTS

FISCAL 2013 THIRD QUARTER FINANCIAL RESULTS

NEW YORK, August 8, 2013 – DGT Holdings Corp. (OTCBB: DGTC) (“DGT Holdings” or the “Company”) today announced financial results for its fiscal 2013 third quarter ended April 27, 2013.

FINANCIAL PRESENTATION

The Company sold its Power Conversion Business on August 16, 2012, and sold its Medical Systems Group on November 3, 2011. The Company’s operations currently consist of a real estate business from rental activities related to buildings retained from the sales of the related businesses. The Company’s focus is on the identification of new profitable operations to redeploy its existing working capital and maximize the use of its net operating loss carryforwards. The operating results for the Power Conversion Business and for the Medical Systems Group, as well as the gains on disposals of such units, are reported as discontinued operations for all periods presented. Continuing operations consist of the real estate business, as well as the costs incurred in capital redeployment activities and general and administrative expenses.

FINANCIAL RESULTS

Revenue from continuing operations, consisting of rental income on the Company’s real estate, was \$198,000 and \$599,000, for the three-month and nine-month periods ended April 27, 2013, respectively. Cost of sales, consisting of depreciation and rental-related costs, for the same three-month and nine-month periods of fiscal 2013 were \$110,000 and \$278,000, respectively.

The loss from continuing operations for the three-month period ended April 27, 2013 was \$668,000 as compared to a loss from continuing operations of \$667,000 for the same fiscal period of 2012.

The income from discontinued operations was \$228,000 for the three-month period ended April 28, 2012, while there were no discontinued operating activities in the same period of fiscal 2013. The income from discontinued operations for the nine-month period ended April 27, 2013 was \$8,377,000 as compared to a \$8,808,000 in the same period of fiscal 2012. The nine-month period ended April 27, 2013 included a \$8,795,000 gain on disposal of the Power Conversion Business while the fiscal 2012 period included a \$6,837,000 gain on disposal of the Medical Systems Group.

Net loss for the three-month period ended April 27, 2013 was \$668,000 or \$0.19 per share, compared to a net loss of \$439,000 or \$0.11 per share for the same three-month period of fiscal 2012. Net income for the nine-month period ended April 27, 2013 was \$6,657,000 or \$1.77 per share, compared to a net income of \$6,956,000 or \$1.81 per share, for the same nine-month period of fiscal 2012.

FINANCIAL CONDITION

DGT Holdings' working capital at April 27, 2013 was \$44,697,000, which included \$12,861,000 of unrestricted cash; \$1,250,000 of restricted cash, and \$31,602,000 of investments available-for-sale.

On March 6, 2013, the Company announced the completion of its reverse/forward stock split. As a result of the reverse/forward stock split, the Company cancelled 803,613 shares of its common stock and disbursed \$10,849,000 to holders of the cancelled shares.

ABOUT DGT HOLDINGS

DGT Holdings Corp. previously manufactured proprietary high-voltage power conversion subsystems, including electronic filters, high voltage capacitors, pulse modulators, transformers and reactors, and a variety of other products designed for industrial, medical, military and other commercial applications through its Power Conversion Group's RFI Corporation subsidiary. This business was sold on August 16, 2012. The Company currently owns and leases two industrial buildings.

The Company's web site is www.dgtholdings.com.

Statements about future results made in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations and the current economic environment. DGT Holdings cautions that these statements are not guarantees of future performance. Actual results could differ materially from those expressed or implied in the forward-looking statements. Important assumptions and other important factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the Company's filings with the Securities and Exchange Commission.

###

DGT HOLDINGS CORP.

Terry Gibson
Chief Executive Officer
Chief Financial Officer
(408) 399-6490

DGT HOLDINGS CORP.
STATEMENTS OF OPERATIONS
(In thousands except per share amounts)
(UNAUDITED)

	Three-month Period Ended		Nine-month Period Ended	
	April 27, 2013	April 28, 2012	April 27, 2013	April 28, 2012
Sales	\$ 198	\$ 111	\$ 599	\$ 218
Cost of sales	110	22	278	42
Gross margin	88	89	321	176
Operating expenses:				
General and administrative expenses	536	795	1,789	2,073
Loss from continuing operations	(448)	(706)	(1,468)	(1,897)
Interest and other income (expense), net	(187)	45	(131)	89
Loss from continuing operations before income taxes	(635)	(661)	(1,599)	(1,808)
Income tax provision	33	6	121	44
Loss from continuing operations, net of taxes	(668)	(667)	(1,720)	(1,852)
Income from discontinued operations:				
Income (loss) from discontinued operations, net of taxes	-	228	(418)	1,971
Gain on disposal of discontinued operations, net of taxes	-	-	8,795	6,837
Income from discontinued operations	-	228	8,377	8,808
Net income (loss)	\$ (668)	\$ (439)	\$ 6,657	\$ 6,956
Net income (loss) per basic and diluted share:				
Loss from continuing operations, net of taxes	\$ (0.19)	\$ (0.17)	\$ (0.46)	\$ (0.48)
Income from discontinued operations, net of taxes	\$ -	\$ 0.06	\$ 2.23	\$ 2.29
Net income (loss)	\$ (0.19)	\$ (0.11)	\$ 1.77	\$ 1.81
Weighted average basic common shares	3,553	3,839	3,763	3,849
COMPREHENSIVE INCOME (LOSS):				
Other comprehensive income (loss), net of taxes:				
Net unrealized gain on available-for-sale securities	\$ 2,600	\$ -	\$ 4,305	\$ -
Foreign currency translation adjustments	(80)	7	215	(2,053)
Total other comprehensive income (loss), net of taxes	2,520	7	4,520	(2,053)
Net income (loss)	(668)	(439)	6,657	6,956
Comprehensive income (loss)	\$ 1,852	\$ (432)	\$ 11,177	\$ 4,903

DGT HOLDINGS CORP.
BALANCE SHEETS
(In thousands)

	<u>April 27, 2013</u>	<u>July 28, 2012</u>
	<i>Unaudited</i>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 12,861	\$ 38,169
Restricted cash	1,250	2,428
Available-for-sale securities	31,602	4,359
Prepaid expenses and other current assets	139	158
Current assets of discontinued operations	-	3,125
Total current assets	<u>45,852</u>	<u>48,239</u>
Property, plant and equipment, net	3,449	3,428
Promissory note receivable	-	614
Other long-term assets	-	73
Long-term assets of discontinued operations	-	443
TOTAL ASSETS	<u>\$ 49,301</u>	<u>\$ 52,797</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	402	11
Accrued expenses	753	1,951
Current portion of long-term debt	-	82
Current liabilities of discontinued operations	-	1,002
Total current liabilities	<u>1,155</u>	<u>3,046</u>
Long-term debt, net of current portion	-	2,278
Deferred income taxes	464	458
Total liabilities	<u>1,619</u>	<u>5,782</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock	328	404
Additional paid-in capital	87,740	98,174
Treasury stock	(7,429)	(7,429)
Accumulated other comprehensive income (loss)	4,442	(78)
Accumulated deficit	(37,399)	(44,056)
Total shareholders' equity	<u>47,682</u>	<u>47,015</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 49,301</u>	<u>\$ 52,797</u>