



**FOR IMMEDIATE RELEASE**

**DGT HOLDINGS REPORTS PRELIMINARY**

**FISCAL 2013 FOURTH QUARTER AND FISCAL YEAR FINANCIAL RESULTS**

**AND ACCELERATED TERMINATION OF RIGHTS AGREEMENT**

October 18, 2013

NEW YORK, October 18, 2013 – DGT Holdings Corp. (OTCBB: DGTC) (“DGT Holdings” or “The Company”) today announced preliminary, unaudited financial results for its fiscal 2013 fourth quarter and year ended July 27, 2013. Final results will be reported on completion of the Company’s annual audited financial statements.

**FINANCIAL PRESENTATION**

The Company’s operations currently consist of a real estate business from rental buildings retained from the sale of its Power Conversion business on August 16, 2012 and the sale of its Medical Systems Group on November 3, 2011. 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, investments, and general and administrative expenses.

**FINANCIAL RESULTS**

Revenues from continuing operations, consisting of rental revenue from the Company’s real estate, was \$111,000 and \$710,000, for the quarter and year ended July 27, 2013, respectively. Cost of sales, consisting of depreciation and rental-related costs was \$175,000 and \$453,000 for the quarter and year ended July 27, 2013, respectively. Operating expenses, consisting of general and administrative expenses, were \$325,000 and \$2,114,000, for the quarter and year ended July 27, 2013, respectively.

The loss from continuing operations was \$238,000 and \$1,958,000, for the quarter and year ended July 27, 2013, respectively.

Income from discontinued operations was \$96,000 for the quarter ended July 27, 2013 and \$8,473,000, including a gain of \$8,795,000 on the sale of the Power Conversion Business, for the year ended July 27, 2013.

Net income (loss) was \$(142,000) and \$6,515,000 for the quarter and year ended July 27, 2013, respectively.

**FINANCIAL CONDITION**

DGT Holdings’ working capital at July 27, 2013 was \$49,620,000 which included \$8,997,000 of unrestricted cash, \$1,250,000 of restricted cash and \$38,611,000 of investments.

## OTHER

Since the Company's two active business operations have been sold, and due to the substantial gains realized on the sale of those operations, the Company's Board of Directors has determined that the Company's remaining net operating losses (NOLs) no longer have significant value to the Company. In addition, our majority shareholder, Steel Partners Holdings LP, has requested that the Board provide Steel Partners with greater flexibility to acquire additional shares of the Company's common stock from time to time, should it desire to do so, in privately negotiated or open market transactions or otherwise, and depending upon price and availability. To the extent such incremental acquisitions by Steel Partners could provide additional liquidity to the Company's minority shareholders, and since the value of the NOLs is no longer sufficient in the Board's judgment to justify the restrictions imposed by the Rights Agreement, dated as of January 22, 2007, between the Company and Mellon Investor Services LLC, the Board, by unanimous vote of the independent directors, approved an amendment to the Rights Agreement accelerating the expiration date of the Rights Agreement from February 2, 2017 to November 1, 2013. Accordingly, as of November 1, 2013, the rights issued pursuant to the Rights Agreement will expire and will no longer be outstanding, and the Rights Agreement will terminate. Shareholders do not have to take any action as a result of this termination.

## 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 website is [www.dgtholdings.com](http://www.dgtholdings.com).

DGT Holdings Corp.  
Terry Gibson  
Chief Executive Officer  
Chief Financial Officer  
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**DGT HOLDINGS CORP.**  
**STATEMENTS OF OPERATIONS**  
**(In thousands except per share amounts)**  
**(UNAUDITED)**

	Three-month Period Ended		Fiscal Year Ended	
	July 27, 2013	July 28, 2012	July 27, 2013	July 28, 2012
Sales	\$ 111	\$ 117	\$ 710	\$ 335
Cost of sales	175	22	453	64
Gross margin	(64)	95	257	271
Operating expenses:				
General and administrative expenses	325	2,254	2,114	4,327
Loss from continuing operations	(389)	(2,159)	(1,857)	(4,056)
Interest and other income (expense), net	33	9	(98)	98
Loss from continuing operations before income taxes	(356)	(2,150)	(1,955)	(3,958)
Income tax (benefit) provision	(118)	47	3	91
Loss from continuing operations, net of taxes	(238)	(2,197)	(1,958)	(4,049)
Income from discontinued operations:				
Income (loss) from discontinued operations, net of taxes	96	357	(322)	2,328
Gain on disposal of discontinued operations, net of taxes	-	-	8,795	6,837
Income from discontinued operations	96	357	8,473	9,165
Net income (loss)	\$ (142)	\$ (1,840)	\$ 6,515	\$ 5,116
Net income (loss) per basic and diluted share:				
Loss from continuing operations, net of taxes	\$ (0.08)	\$ (0.57)	\$ (0.54)	\$ (1.05)
Income from discontinued operations, net of taxes	\$ 0.03	\$ 0.09	\$ 2.36	\$ 2.38
Net income (loss)	\$ (0.05)	\$ (0.48)	\$ 1.81	\$ 1.33
Weighted average basic common shares	3,088	3,839	3,594	3,847

**DGT HOLDINGS CORP.**  
**BALANCE SHEETS**  
**(In thousands)**

	<u>July 27, 2013</u>	<u>July 28, 2012</u>
	<i>Unaudited</i>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 8,997	\$ 38,169
Restricted cash	1,250	2,428
Available-for-sale securities	38,611	4,359
Prepaid expenses and other current assets	99	158
Assets for sale	949	
Current assets of discontinued operations	-	3,125
Total current assets	<u>49,906</u>	<u>48,239</u>
Property, plant and equipment, net	2,477	3,428
Promissory note receivable	-	614
Other long-term assets	-	73
Long-term assets of discontinued operations	-	443
<b>TOTAL ASSETS</b>	<u><u>\$ 52,383</u></u>	<u><u>\$ 52,797</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	114	11
Accrued expenses	172	1,951
Current portion of long-term debt	-	82
Current liabilities of discontinued operations	-	1,002
Total current liabilities	<u>286</u>	<u>3,046</u>
Long-term debt, net of current portion	-	2,278
Deferred income taxes	463	458
Total liabilities	<u>749</u>	<u>5,782</u>
Commitments and contingencies		
Shareholders' equity:		
Common stock	329	404
Additional paid-in capital	87,879	98,174
Treasury stock	(7,429)	(7,429)
Accumulated other comprehensive income (loss)	8,396	(78)
Accumulated deficit	(37,541)	(44,056)
Total shareholders' equity	<u>51,634</u>	<u>47,015</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u><u>\$ 52,383</u></u>	<u><u>\$ 52,797</u></u>