NEW YORK, Oct. 18, 2013 /PRNewswire/ -- 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 .

DGT Holdings Corp.Terry GibsonChief Executive OfficerChief Financial Officer(408) 399-6490

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

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)

July 27, 2013

July 28, 2012

 Unaudited

ASSETS

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

49,906

48,239

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

TOTAL ASSETS

$ 52,383

$ 52,797

LIABILITIES AND SHAREHOLDERS' EQUITY

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

286

3,046

Long-term debt, net of current portion

-

2,278

Deferred income taxes

463

458

Total liabilities

749

5,782

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

51,634

47,015

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

$ 52,383

$ 52,797

SOURCE DGT Holdings Corp.

RELATED LINKS http://www.dgtholdings.com