



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for of the Quarter ended at June 30, 2011

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", "MV", EURO.NM: MEDV) released today (Monday, August 29th, 2011) information concerning its operations and financial results for the period ended June 30th, 2011.

STATEMENT OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 2011:

(thousands U.S. Dollars, except per-share data)

	Period of six months ended June 30		Period of three months ended June 30		Year ended December 31
	2011	2010	2011	2010	2010
	Unaudited				Audited
	\$000				
Other income (loss)	230	1,064	5	853	1,064
Selling and marketing expenses	-	-			-
General and administrative expenses	(67)	(98)	(54)	(44)	(98)
Research and development costs, net	-	-			-
Operating profit (loss)	163	966	(49)	809	966
Financial income	-	-			-
Financial expenses	(75)	(82)	(38)	(26)	(82)
share in loss of an associate		*		*	*
	(901)	(560)	(469)	(45)	(421)
loss before tax	(812)	324	(556)	738	(463)
Income tax expenses	-	-	-	-	-
Loss for the year	(813)	324	(556)	738	(463)
attributable to:					
Equity holders of the parent	(813)	324	(556)	738	(463)
Minority interests	-	-			-
	(813)	324	(556)	738	(463)
Earnings per share					
Basic, loss for the year attributable to ordinary equity holders of the parent	(0.095)	0.038	(0.066)	0.086	(0.054)

Management's Discussion and Analysis of the Financial Condition and Results of Operations of the Company

Other Income Net - This income reflects the profit from decreasing MediVision share in OIS as a result of realization of OIS shares in the total amount of \$326,000 (for further details see note 3 of the financial statement).

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2011: (thousands U.S. Dollars, except per-share data)

	30 June		31 December
	2011	2010	2010
	Unaudited		audited
	\$000		
Assets			
Current assets			
Trade and other receivables	3	61	65
	<u>3</u>	<u>61</u>	<u>65</u>
Non-current assets			
Investments in an associate	846	2,166	1,838
Total assets	849	2,227	1,903
Liabilities and equity			
Current liabilities			
Credit from banks and shareholders	75	186	1,892
Trade and other payables	176	433	178
	<u>251</u>	<u>619</u>	<u>2,070</u>
Non-current liabilities			
Convertible loan from shareholders	-	1,240	-
Employee benefit liability	-	61	-
	<u>-</u>	<u>1,301</u>	<u>65</u>
Total liabilities	251	1,920	2,135
Equity			
Issued capital	379	215	215
Share premium	10,781	9,302	9,302
Capital reserve	(311)	(311)	(311)
Retained deficit	(10,251)	(8,899)	(9,438)
Total equity	598	307	(232)
Total equity and liabilities	849	2,227	1,903

Investments in an associate - The Company holds 8,631,311 shares of OIS common stock. At August 4, 2011 the Shareholders meeting approved Share purchase agreement with Merge Healthcare Incorporated. According to the share purchase agreement with Merge Healthcare Incorporated, the shares of OIS will be converted into Merge Healthcare Incorporated shares in the ratio of 0.1693. The market value as of June 30th 2011 is \$7.6 million US dollars. Due to the conversion of the shares starting the third quarter of 2011 the company will start to report according to the market value of Merge shares.

Total Equity - During the six months period ended June 30th, 2011, Total Equity was decreased by \$813,000, a result of losses in OIS during the period (please see note 4 to the financial statements) and Equity was increased by \$1,643,000 as a result of the conversion of the loans. The company issued 4,235,718 new shares and the total amount of shares increased to 12,720,590 ordinary shares.

This Release contains certain forward-looking statements and information relating to the Company that are based on the beliefs of the Management of the Company as well as assumptions made by and information currently available to the Management of the Company. Such statements reflect the current views of the Company with respect to future events, the outcome of which is subject to certain risks including but not limited to as listed below and other factors, which may be outside of the Company's control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results of outcomes may vary materially from those described herein as projected, anticipated, believed, estimated, expected or intended. Such abovementioned risks include but are not limited to:

1. Uncertain market acceptance of Company products - The Company's future growth and profitability will depend, in large part, on the acceptance by the market of the Company's existing and proposed products. This acceptance will be substantially dependent on educating the market as to full capabilities, distinctive characteristics, perceived benefits and efficacy of the Company's existing and proposed products. In addition, the future success of the Company's products will depend on their acceptance by customers and on such customers' willingness and ability to purchase such products. There can be no assurance that the Company's products will receive the necessary market acceptance. Failure of the Company's existing and/or proposed products to gain market acceptance could have a material adverse effect on the Company's business, financial condition and results of operations.
2. New products - The Company, through its Research and Development teams, engages in the development of new technologies and products and in the upgrading and improvement of existing ones. There is no certainty that development of these technologies and/or products will be completed, successfully, or at all, or if completed successfully, that a market for them will exist.

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