



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for the year ended December 31, 2007

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", EURO.NM: MEDV) released today (March 26, 2008) information concerning its operations and financial results for the year ended December 31, 2007. MediVision Revenues for the year ended December 31, 2007 aggregated to \$16,322,000 compared to revenues of \$17,439,000 for the comparable year of 2006, reflecting a decrease of 6%.

Highlights of the Year ended December 31, 2007

Belgium Branch - As of Mid March 2007, the Company opened a Branch office in Belgium for selling and servicing its products in the Belgian market, and supporting the sales activity in the French market.

Development costs - In the year ended December 31, 2007, the Company recognized development costs in the amount of \$1,142,000 as an intangible asset in accordance with the criteria for recognition as set forth in IAS 38 "Intangible Assets". Therefore gross R&D spending for the period totaled \$3,172,000.

Receipt of a \$500,000 long term loan - During the reported quarter, the Company received a long term loan from United Mizrahi Bank Ltd. in the amount of \$500,000. The loan will be paid in eighteen monthly installments, commencing on August 2008, under certain conditions set forth in the loan agreement.

Convertible loan - On September 2007, the Company entered into a convertible loan Agreement with certain of its shareholders. According to this agreement, these shareholders will provide a convertible loan to the Company in the amount of up to \$1,000,000. The loan shall bear interest at an annual rate of 9%, and shall be repaid within 12 months from closing, unless converted before according to the terms and conditions of the agreement. The loan is convertible in whole or in part, into Ordinary shares of the Company, at a price per share reflecting a discount rate of 20% of the Company's average share price during the 30 days immediately prior to conversion. OIS shares owned by the company, in an aggregate value of \$1,300,000, will be apportioned among the shareholders pro-rata to their portion of the loan, and will serve as collateral. The company shall convene a general meeting of its shareholders for the approval of the transactions. During the year the company received according to the Agreement an aggregate loan in the amount of \$550,000.

Convertible note in OIS - On October 29, 2007, OIS entered into a Purchase Agreement (the "Purchase Agreement") with the purchasers named therein (the "Purchasers"), pursuant to which OIS issued to the Purchasers (i) an aggregate of \$2,750,000 in principal amount of its 6.5% Convertible Notes Due April 30, 2010 (the "Notes"), which Notes are convertible into 1,676,829 shares (the "Underlying Shares") of OIS common stock, no par value, and (ii) warrants ("Warrants") to purchase an aggregate of 616,671 shares (the "Warrant Shares") of OIS common stock at an exercise price of \$1.87 per share. OIS will use the proceeds from the issuance of the Notes for working capital and potential acquisitions.

Subsequent events in OIS - Following the balance sheet date, In January 2008, OIS purchased substantially all of the assets of Acermed, Inc., a leading software developer for Electronic Medical Records (EMR) and Practice Management software. The acquisition was done through OIS's newly established subsidiary, Abraxas Medical Solutions, Inc., and was approved by the California Central Bankruptcy Court.

Merger with OIS - Following the balance sheet date, the company signed a Merger agreement with OIS, under which the Company will become a subsidiary of OIS in a stock transaction. According to the Merger agreement and subject to the conditions of the agreements, MV ACQUISITIONS Ltd ("MVA"), an Israeli company under incorporation and a wholly-owned subsidiary of OIS, and the Company intend to effect the merger of MVA with and into MediVision (the "Merger"), following which, MVA will cease to exist, MediVision's outstanding shares will be converted into shares of OIS common stock, and the Company will become a wholly-owned subsidiary of OIS.

At the effective time of the merger each MediVision ordinary share will be converted into 1.66 shares of OIS common stock ("OIS Shares"). OIS Shares will be listed for trade on the NASDAQ OTC Bulletin Board.

This ratio reflects the approximately 9.4 million OIS Shares held by MediVision for 9.4 million OIS Shares and an additional aggregate amount of approximately 1.9 million shares of OIS common stock (taking into account MediVision's current outstanding share capital), reflecting the following assets and liabilities:

- MediVision's product pipeline;
- MediVision's research and development capabilities;
- MediVision's sales and distribution capabilities;
- MediVision's German-based subsidiary; and
- MediVision's debt to banks of approximately \$2.85 million

In addition, outstanding options and warrants to purchase MediVision shares shall also be converted into options or warrants in the same exchanged ratio, as the case may be, to purchase shares of OIS Common Stock. The Merger agreement also includes additional provisions regarding certain rights of major shareholders of MediVision, voting arrangements, registration rights and provisions applicable to share transfers.

The Merger which was unanimously approved by both companies' Boards of Directors, OIS' special independent committee and MediVision's audit committee, is expected to close by the end of the third quarter of 2008 and will be subject to approval by OIS and MediVision's shareholders in special shareholders meeting, as well as securing all other approvals and consents which are legally required.

Information in regards to the Financial Situation for the year ending December 31, 2007

CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. Dollars in thousands, except per share data)

	<u>Year ended December 31,</u>	
	<u>2007</u>	<u>2006</u>
Sales	16,322	17,439
Cost of sales	7,051	7,257
Gross profit	9,271	10,182
Operating expenses:		
Research and development expenses, net	2,030	2,088
Selling and marketing expenses	4,235	4,436
General and administrative expenses	2,492	2,435
Total operating expenses	8,757	8,959
Operating income	514	1,223
Financial expenses, net	234	149
Profit for the year before other income	280	1,074
Other income (loss), net	(72)	1,508
Profit for the year before taxes on income	208	2,582
Tax benefit (expenses)	(8)	(16)
Net Profit for the year	200	2,566
Attributed to:		
Equity holders of the parent	(475)	1,623
Minority interest	675	943
	200	2,566
Basic earnings per share (in Dollars)	(0.068)	0.24
Diluted earnings per share (in Dollars)	(0.064)	0.21

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

Sales - The consolidated Sales for the year ended December 31, 2007 aggregated to \$16,322,000 compared to sales of \$17,439,000 for the comparable period of 2006, reflecting a decrease of 6%.

Gross Profit - Gross profit for the year ended December 31, 2007 were \$9,271,000 or 57% of sales revenues, as compared with \$10,182,000 which were 58% of sales revenues for the comparable period of 2006.

Research and Development Expenses - Net R&D expenses for the year ended December 31, 2007 amounted to \$2,030,000 or 12% of Sales revenues. During the reported period, the Company recognized development costs in the amount of \$1,142,000 as an intangible asset in accordance with the criteria for recognition as set forth in IAS 38 "Intangible Assets". The total R&D spending during the year was \$3,172,000 or 19% of Sales revenues compared to \$3,512,000 or 20% of Sales revenues in the comparable period of 2006.

Selling and Marketing Expenses - Total Selling and Marketing expenses for the year ended December 31, 2007 amounted \$4,235,000 which are 26% of total Sales revenues, as compared with \$4,436,000 which were 25% of total Sales revenues for the comparable period in 2006.

General and Administrative Expenses - General and Administrative expenses include mainly salaries, professional services, rental, maintenance and various provisions. Total General and Administrative expenses for the year ended December 31, 2007 were \$2,492,000 which are 15% of the total Sales, as compared to \$2,435,000, which were 14% of total Sales in the comparable period of 2006.

Other Income (expenses), Net – During the reported year the Company recorded other loss associated with Capital loss from the exercise of options in its American subsidiary. During of the equivalent period of 2006 the Company sold 1,000,000 of OIS's Common Stock for the consideration of approximately \$1,772,000 (net of expenses of \$28,000), the associated capital gain for this transaction amounted to \$1,149,000. The Company also recorded during the comparable period (first quarter of 2006) a gain of \$226,000 from the issuance of shares by OIS upon conversion of a note.

Minority Interest - Minority interest for the year ended December 31, 2007 are attributed mainly to the part of OIS minority shareholders in the profits of OIS. In addition part of the minority interest is attributed to the minority shareholders of CCS Pawlowski GmbH, the company's German subsidiary.

Balance Sheet Information

	<u>December 31, 2007</u>	<u>December 31, 2006</u>
Assets		
Current Assets		
Cash and cash equivalents	7,992	6,719
Restricted cash	168	160
Trade receivables, net	3,472	3,486
Other accounts receivable and prepaid expenses	702	279
Inventories	1,198	1,085
Total Current Assets	<u>13,532</u>	<u>11,729</u>
Property and Equipment, net	575	506
Deferred Tax Asset	1,342	1,172
Goodwill and Other Assets	<u>6,012</u>	<u>4,721</u>
Total Assets	<u><u>21,461</u></u>	<u><u>18,128</u></u>
Liabilities and Equity		
Current Liabilities		
Short-term bank credit and current maturities	2,862	1,316
Trade payables	1,728	1,611
Other accounts payable and accrued expenses	4,314	4,395
Total Current liabilities	<u>8,904</u>	<u>7,322</u>
Long-Term Liabilities		
Long-term loans, net of current maturities	2,663	1,206
Other Liabilities	171	201
Total long-term liabilities	<u>2,834</u>	<u>1,407</u>
Total liabilities	<u>11,738</u>	<u>8,729</u>
Equity		
Share Capital	165	165
Additional paid-in capital	8,775	8,563
Foreign currency translation differences	132	-
Capital reserve	(311)	(311)
Accumulated deficit	<u>(3,725)</u>	<u>(2,723)</u>
	5,036	5,694
Minority interest	<u>4,687</u>	<u>3,705</u>
Total Equity	<u>9,723</u>	<u>9,399</u>
Total liabilities and equity	<u><u>21,461</u></u>	<u><u>18,128</u></u>

Long-term debt - Long-term debt during the year ended December 31, 2007 Increase due to receipts of new loans and convertible notes this was offset by repayments of long-term loans.

Total equity - During the Year ended December 31, 2007, total equity was increased by \$324,000 or 3% reaching \$9,723,000.

About MediVision - MediVision specializes in digital imaging devices for medical ophthalmic applications with an emphasis on diagnostics related to the eye retina. MediVision's products are designed to provide digital upgrades for a range of ophthalmic imaging systems, thus significantly enhancing imaging capability and providing its users with advanced diagnostic tools. The company has significant market share and is a market leader in the ophthalmic digital imaging field. As of the balance sheet date, the Company owns 56% interest in Ophthalmic Imaging Systems Inc. based in Sacramento, California, USA and 63% interest in CCS Pawlowski GmbH based in Jena, Germany.

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 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.

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