



Press Release

MediVision Medical Imaging Ltd.

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for the Period ended March 31, 2007

Revenues grew 14% to \$4.6M in the first Quarter of 2007

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", EURO.NM: MEDV) released today (May 15, 2007) information concerning its operations and financial results for the period ended March 31, 2007. MediVision Revenues for the period ended March 31, 2007 aggregated to \$4,589,000 compared to revenues of \$4,033,000 for the comparable periods of 2006, reflecting an increase of 14%.

Noam Allon, President & CEO of MediVision commented: "During the Quarter we continued to present a steady increase in revenues compared to last year. We are pleased by the net profit from our operations achieved during this Quarter and the continued improvement in our Total Equity."

Highlights of the period ended March 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 period ended March 31, 2007, the Company recognized development costs in the amount of \$285,000 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 \$ 719,000.

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 April 2008, under certain conditions set forth in the loan agreement.

Information in regards to the Financial Situation for the three months ending March 31, 2007

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

	Period ended March 31,	
	2007	2006
Sales	4,589	4,033
Cost of sales	1,899	1,742
Gross profit	2,690	2,291
Operating expenses:		
Research and development expenses, net	434	755
Selling and marketing expenses	1,058	985
General and administrative expenses	687	525
Total operating expenses	2,179	2,265
Operating income	511	26
Financial expenses, net	34	80
Profit for the year before other income	477	(54)
Other income, net	(14)	1,335
Profit for the year before taxes on income	463	1,281
Tax benefit (expenses)	14	-
Net Profit for the period	449	1,281
Attributed to:		
Equity holders of the parent	171	1,106
Minority interest	278	175
	449	1,281
Basic earnings per share (in Dollars)	0.02	0.16
Diluted earnings per share (in Dollars)	0.02	0.15

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

Sales - The consolidated Sales for the three months ended March 31, 2007 aggregated to \$4,589,000 compared to sales of \$4,033,000 for the comparable periods of 2006, reflecting an increase of 14%.

Gross Profit - Gross profit for the three months ended March 31, 2007 were \$2,690,000 or 59% of sales revenues, as compared with \$2,291,000 which were 57% of sales revenues for the comparable periods of 2006.

Research and Development Expenses - Net R&D expenses for the three months ended March 31, 2007 amounted to \$434 or 9% of Sales revenues. During the reported period, the Company recognized development costs in the amount of \$285,000 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 period was \$719,000 or 15.7% of Sales revenues compared to \$755,000 or 19% of Sales revenues in Q1 2006.

Selling and Marketing Expenses - Total Selling and Marketing expenses for the three months ended March 31, 2007 amounted \$1,058,000 which are 23% of total Sales revenues, as compared with \$985,000 which were 24% 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 three months ended March 31, 2007 were \$687,000 which are 15% of the total Sales, as compared to \$525,000, which were 13% of total Sales for the comparable period of 2006.

Other Income, Net - No other income was recorded during the period. During of the quarter ended March 31, 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 three months ended March 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>March 31, 2007</u>	<u>December 31, 2006</u>
Assets		
Current Assets		
Cash and cash equivalents	6,851	6,719
Restricted cash	160	160
Trade receivables, net	3,346	3,486
Other accounts receivable and prepaid expenses	340	279
Inventories	994	1,085
Total Current Assets	<u>11,691</u>	<u>11,729</u>
Property and Equipment, net	585	506
Deferred Tax Asset	1,256	1,172
Goodwill and Other Assets	<u>5,026</u>	<u>4,721</u>
Total Assets	<u><u>18,558</u></u>	<u><u>18,128</u></u>
Liabilities and Equity		
Current Liabilities		
Short-term credit and current maturities	1,427	1,316
Trade payables	1,493	1,611
Other accounts payable and accrued expenses	4,664	4,395
Total Current liabilities	<u>7,584</u>	<u>7,322</u>
Long-Term Liabilities		
Long-term loans, net of current maturities	837	1,206
Other Liabilities	<u>226</u>	<u>201</u>
Total long-term liabilities	<u>1,063</u>	<u>1,407</u>
Total liabilities	<u><u>8,647</u></u>	<u><u>8,729</u></u>
Equity		
Share Capital	165	165
Additional paid-in capital	8,585	8,563
Capital reserve	(287)	(311)
Accumulated deficit	<u>(2,552)</u>	<u>(2,723)</u>
	5,911	5,694
Minority interest	<u>4,000</u>	<u>3,705</u>
Total Equity	<u>9,911</u>	<u>9,399</u>
Total liabilities and equity	<u><u>18,558</u></u>	<u><u>18,128</u></u>

Long-term debt - Long-term debt during the three months ended March 31, 2007 was decreased from \$1,407,000 to \$1,063,000 due to repayment of existing long-term loans.

Total equity - During the three months ended March 31, 2007, total equity was increased by \$512,000 or 5% reaching \$9,911,000.

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 58% 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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