



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for the period ended September 30, 2008

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", EURO.NM: MEDV) released today (November 25, 2008) information concerning its operations and financial results for the period ended September 30, 2008. MediVision consolidated revenues for the three and nine months periods ended September 30, 2008 aggregated to \$3,559,000 and \$10,837,000 compared to revenues of \$3,512,000 and \$11,956,000 for the comparable periods of 2007, reflecting an increase of 1% for the three months and a decrease of 9% for the nine months.

Subsequent to the balance sheet date the Company started the implementation of downsizing plan that will include among other layoff of employees and significant cut of expenses and overheads.

"Lately we are facing global market changes which affect the entire industry and MediVision in particular; this leaves us with no option but to react and change our group structure. MediVision is in the process of implementation of a plan that will bring its relative advantages into power. I believe that this plan will contribute in the long run to the Companies strength and market position. The company is still investing significantly into research and development of few technologies that will eventually contribute to the company growth", said Noam Allon, CEO and President of MediVision.

Highlights of the nine months period ended September 30, 2008

Merger with OIS – During the first quarter of 2008, MediVision 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 meetings, as well as securing all other approvals and consents which are legally required.

Downsizing plan and Company status – subsequent to the balance sheet date the Company started the implementation of downsizing plan that will include among other layoff of employees and significant cut of expenses and overheads.

The companies Board of Directors approved the plan which will be implemented during the forth quarter of 2008 and the first quarter of 2009. The Company is planning to focus its activity in the development of new Electro-optical products and therefore few MediVision employees will relocate to OIS headquarters in Sacramento, California as part of the reorganization of the R&D groups. Altogether, the Israeli company is expected to layoff 11 employees (about 45% of its employees).

In addition, management is evaluating alternative sources of capital to meet cash requirements, including issuance of debt, issuance of equity securities and entering into other financing agreements with its shareholders. According to management beliefs, if the Company is unable to obtain additional funding, it would be required to eliminate certain activities that would adversely effect its operations.

Purchase of Acermed assets by OIS - 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 (EPM) software. The acquisition was done through OIS's newly established subsidiary, Abraxas Medical Solutions, Inc., and was approved by the California Central Bankruptcy Court.

Conversion of Convertible shareholder loan – On June 30, 2008 the Company issued 1,677,573 Ordinary Shares NIS 0.1 par value to certain majority shareholders in respect of the Term Sheet signed between certain majority shareholders (the "Shareholders"), in connection with a convertible loan provided by the Shareholders to the Company. In consideration of the issued shares, the shareholders loan in the amount of \$626,000 was converted in to share capital of MediVision. Following the conversion, the Company has 8,484,872 issued and outstanding Ordinary shares NIS 0.1 par value each.

Receipt of Convertible shareholder loan - during August 2008 in respect of the Term Sheet signed between certain majority shareholders (the "Shareholders"), in connection with a convertible loan provided by the Shareholders to the Company, the Shareholders granted the company an additional loan in the amount of \$400,000. The loan shall bear interest at an annual rate of 9% and shall be repaid within 12 months from the date of the grant. The loan will be convertible at the election of the Shareholders at a price per share reflecting a discount rate of 20% of the average share price during the 30 days before conversion.

Information in regards to the Financial Situation for the three and nine months ending September 30, 2008

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

	For the nine months Ended September 30,		For the three months ended September 30,	
	2008	2007	2008	2007
	Unaudited			
Sales	10,837	11,956	3,559	3,512
Cost of Sales	5,083	5,094	1,613	1,484
Gross Profit	5,754	6,862	1,946	2,028
Operating expenses:				
Research and Development costs, net	2,025	1,128	707	312
Selling and Marketing expenses	3,550	3,000	1,155	967
General and Administrative expenses	1,985	1,875	572	559
Total operating expenses	7,560	6,003	2,434	1,838
Operating income (loss)	(1,806)	859	(488)	190
Financial expenses, net	417	106	169	83
Profit for the period before Other Income	(2,223)	753	(657)	107
Other Income (expenses), net	48	(72)	(1)	3
Profit for the period before taxes on Income	(2,175)	681	(658)	110
Income tax (expenses) income	(38)	(55)	10	14
Net Profit for the period	(2,213)	626	(648)	124
Attributed to:				
Equity holders of the parent	(1,914)	26	(536)	(53)
Minority interests	(299)	600	(112)	177
	(2,213)	626	(648)	124
Basic earnings (loss) per share (in U.S. Dollars)	(0.25)	0.01	(0.05)	(0.01)
Diluted earnings (loss) per share (in U.S. Dollars)	(0.25)	(0.01)	(0.05)	(0.01)

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

Sales - The consolidated Sales for the three and nine months period ended September 30, 2008 aggregated to \$3,599,000 and \$10,837,000 compared to sales of \$3,512,000 and \$11,956,000 for the comparable periods of 2007, reflecting an increase of 1% and a decrease of 9% accordingly. The decrease in revenues is due to a decrease of product sales in the nine months periods ended September 30, 2008 of approximately \$1,442,000, offset by an increase in service revenue of approximately \$323,000.

Gross Profit - Gross profit for the three and nine months period ended September 30, 2008 were \$1,946,000 and \$5,754,000 or 55% and 53% of sales revenues, as compared with \$2,028,000 and \$6,862,000 which were 58% and 57% of sales revenues for the comparable periods of 2007. Gross margins decreased due to the decrease in sales with fixed overhead costs.

Research and Development Expenses - Net R&D expenses for the three and nine months period ended September 30, 2008 amounted to \$707,000 and \$2,025,000 or 20% and 19% of Sales revenues. During the nine months period, Abraxas, OIS fully owned subsidiary capitalized research and development efforts at the amount of \$852,000 related to the development of its software to get it ready to sell to the market. During the nine months period, OIS capitalized newly developed software packages at approximately \$491,000. During the comparable reported periods, 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 nine month period was \$3,368,000 or 31% of Sales revenues compared to \$2,270,000 or 19% of Sales revenues in the comparable nine months period of 2007.

Selling and Marketing Expenses - Total Selling and Marketing expenses for the three and nine months period ended September 30, 2008 amounted \$1,155,000 and \$3,550,000 which are 32% and 33% of total Sales revenues accordingly, as compared with \$967,000 and \$3,000,000 which were 28% and 25% of total Sales revenues for the comparable periods in 2007.

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 and nine months period ended September 30, 2008 were \$572,000 and \$1,985,000 which are 16% and 18% of the total Sales, as compared to \$559,000 and \$1,875,000, which were 16% of total Sales in both comparable periods of 2007.

Minority Interest - Minority interest for the three and nine months periods ended September 30, 2008 are attributed mainly to the part of OIS minority shareholders in the loss 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

	September 30, 2008	December 31, 2007
Assets		
Current Assets		
Cash and cash equivalents	3,934	7,992
Restricted cash	171	168
Trade receivables, net	2,456	3,472
Other accounts receivable and prepaid expenses	713	702
Inventories	1,600	1,198
Total Current Assets	<u>8,874</u>	<u>13,532</u>
Property and Equipment, net	548	575
Deferred Tax Asset	1,210	1,342
Goodwill and Other Assets	7,823	6,012
Total Assets	<u><u>18,455</u></u>	<u><u>21,461</u></u>
Liabilities and Equity		
Current Liabilities		
Short-term bank credit and current maturities	3,043	2,862
Trade payables	1,221	1,728
Other accounts payable and accrued expenses	4,527	4,314
Total Current liabilities	<u>8,791</u>	<u>8,904</u>
Long-Term Liabilities		
Long-term loans, net of current maturities	1,898	2,663
Other Liabilities	137	171
Total long-term liabilities	<u>2,035</u>	<u>2,834</u>
Total liabilities	<u>10,826</u>	<u>11,738</u>
Equity		
Share Capital	215	165
Additional paid-in capital	9,295	8,775
Foreign currency translation differences	120	132
Capital reserve	(311)	(311)
Accumulated deficit	(6,018)	(3,725)
	<u>3,301</u>	<u>5,036</u>
Minority interest	4,328	4,687
Total Equity	<u>7,629</u>	<u>9,723</u>
Total liabilities and equity	<u><u>18,455</u></u>	<u><u>21,461</u></u>

Long-term debt - Long-term debt during the period ended September 30, 2008 decreased due to repayments of loans and higher allocation to current maturities.

Total equity - During the period ended September 30, 2008, total equity was decreased by \$2,094,000 or 22% reaching \$7,629,000.

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 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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