

MEDIVISION MEDICAL IMAGING LTD.

Consolidated Financial Statements

As of June 30, 2008

(Unaudited)

MEDIVISION MEDICAL IMAGING LTD.

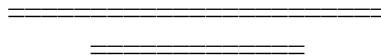
Consolidated Financial Statements

As of June 30, 2008

(Unaudited)

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**REPORT IN REVIEW OF
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2008**

We have reviewed the accompanying interim condensed consolidated financial statements of Medivision Medical Imaging Ltd and its subsidiaries (“the Group”) as at June 30, 2008, comprising of the interim consolidated balance sheet as at June 30, 2008 and the related interim consolidated statements of income, changes in equity and cash flows for the six and three months then ended and explanatory notes. Management is responsible for the preparation of these interim condensed consolidated financial statements in accordance with IAS 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We have been furnished with the report of other accountants in respect of the review of the interim consolidated financial statements of a subsidiary, whose assets constitute approximately 65% of total consolidated assets as of June 30, 2008, and whose revenues constitute approximately 95% of total consolidated revenues for the six months then ended.

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review and the report of other accountants, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Fahn Kanne & Co.
Certified Public Accountants (Isr.)

Tel-Aviv, Israel
August 10, 2008

MEDIVISION MEDICAL IMAGING LTD.**CONSOLIDATED BALANCE SHEETS**

(in thousands)	US dollars	
	June 30, 2008	December 31, 2007
	Unaudited	Audited
A S S E T S		
Current assets		
Cash and cash equivalents	4,764	7,992
Restricted cash	170	168
Accounts receivable:		
Trade, net	2,690	3,472
Other accounts receivable	872	702
Inventories	<u>1,472</u>	<u>1,198</u>
Total current assets	<u>9,968</u>	<u>13,532</u>
Property and equipment, net	<u>550</u>	<u>575</u>
Deferred tax assets	<u>1,134</u>	<u>1,342</u>
Goodwill and other assets	<u>7,297</u>	<u>6,012</u>
Total assets	<u>18,949</u>	<u>21,461</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.

CONSOLIDATED BALANCE SHEETS

(in thousands)	US dollars	
	June 30, 2008	December 31, 2007
	Unaudited	Audited
SHAREHOLDERS' LIABILITY AND EQUITY		
Current liabilities		
Short-term bank credit and other current liabilities	2,838	2,862
Trade payables	919	1,728
Other accounts payable	4,334	4,314
Total current liabilities	<u>8,091</u>	<u>8,904</u>
Long-term liabilities		
Long-term loans, net of current maturities	2,197	2,663
Long-term employee benefits	127	171
Total long-term liabilities	<u>2,324</u>	<u>2,834</u>
Total liabilities	<u>10,415</u>	<u>11,738</u>
Shareholders' equity		
Equity attributable to equity holders of the parent:		
Ordinary shares of NIS 0.1 par value each:		
Authorized: 10,000,000 shares as of June 30, 2008 and December 31, 2007		
Issued and outstanding: 8,484,872 shares and 6,807,299 shares as of June 30, 2008 and December 31, 2007, respectively	215	165
Additional paid-in capital	9,281	8,775
Capital reserve	(311)	(311)
Foreign currency translation differences	214	132
Accumulated deficit	<u>(5,305)</u>	<u>(3,725)</u>
	4,094	5,036
Minority interest	4,440	4,687
Total equity	<u>8,534</u>	<u>9,723</u>
Total liabilities and shareholders' equity	<u>18,949</u>	<u>21,461</u>

Gabriel Bouganim
 Director of Finance

Noam Allon
 Director and
 Chief Executive Officer

Date of approval: August 10, 2008

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.
CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands except per share data)	US dollars		US dollars	
	Six month period ended June 30,		Three month period ended June 30,	
	2008	2007	2008	2007
	Unaudited		Unaudited	
Sales	7,278	8,444	3,677	3,855
Cost of sales	<u>3,470</u>	<u>3,610</u>	<u>1,695</u>	<u>1,711</u>
Gross profit	<u>3,808</u>	<u>4,834</u>	<u>1,982</u>	<u>2,144</u>
Operating expenses:				
Research and development expenses, net	1,318	816	739	382
Selling and marketing expenses	2,395	2,033	1,198	975
General and administrative expenses	<u>1,413</u>	<u>1,316</u>	<u>666</u>	<u>629</u>
Total operating expenses	<u>5,126</u>	<u>4,165</u>	<u>2,603</u>	<u>1,986</u>
Operating income (loss)	(1,318)	669	(621)	158
Financial expenses (income), net	<u>248</u>	<u>23</u>	<u>43</u>	<u>(11)</u>
Profit (loss) before other income	(1,566)	646	(664)	169
Other expenses (income), net	<u>(49)</u>	<u>75</u>	<u>(49)</u>	<u>61</u>
Profit (loss) before taxes on income	(1,517)	571	(615)	108
Income tax expense	<u>(48)</u>	<u>(69)</u>	<u>(35)</u>	<u>(55)</u>
Net profit (loss) for the year	<u>(1,565)</u>	<u>502</u>	<u>(650)</u>	<u>53</u>
Attributed to:				
Equity holders of the parent	(1,378)	79	(580)	(92)
Minority interest	<u>(187)</u>	<u>423</u>	<u>(70)</u>	<u>145</u>
	<u>(1,565)</u>	<u>502</u>	<u>(650)</u>	<u>53</u>
Basic earnings (loss) per share (in Dollars)	<u>(0.20)</u>	<u>0.02</u>	<u>(0.08)</u>	<u>(0.14)</u>
Diluted earnings (loss) per share (in Dollars)	<u>(0.20)</u>	<u>0.01</u>	<u>(0.08)</u>	<u>(0.14)</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

US dollars

	Attributable to equity holders of the parent					Total	Minority interests	Total equity
	Share Capital	Additional paid-in capital	Capital reserve	Foreign currency translation differences	Accumulated deficit			
(in thousands)								
Balance at January 1, 2007 (audited)	165	8,563	(311)	-	(2,723)	5,694	3,705	9,399
Warrants, equity component of convertible loans issued by subsidiary and exercise of options into common stock of a subsidiary	-	106	-	-	-	106	271	377
Change in capital structure expenses (**)	-	-	-	-	(527)	(527)	-	(527)
Foreign currency translation differences	-	-	-	132	-	132	21	153
Cost of share-based payment	-	106	-	-	-	106	15	121
Net profit	-	-	-	-	(475)	(475)	675	200
Balance at December 31, 2007 (audited)	<u>165</u>	<u>8,775</u>	<u>(311)</u>	<u>132</u>	<u>(3,725)</u>	<u>5,036</u>	<u>4,687</u>	<u>9,723</u>
Convertible loan converted into shares	50	576	-	-	-	626	-	626
Warrants, equity component of convertible loans issued by subsidiary and exercise of options into common stock of a subsidiary	-	(100)	-	-	-	(100)	(81)	(181)
Changes in capital structure expenses	-	-	-	-	(202)	(202)	-	(202)
Foreign currency translation differences	-	-	-	82	-	82	15	97
Cost of share-based payment	-	30	-	-	-	30	6	36
Loss	-	-	-	-	(1,378)	(1,378)	(187)	(1,565)
Balance at June 30, 2008 (unaudited)	<u>215</u>	<u>9,281</u>	<u>(311)</u>	<u>214</u>	<u>(5,305)</u>	<u>4,094</u>	<u>4,440</u>	<u>8,534</u>
Balance at January 1, 2007 (audited)	165	8,563	(311)	-	(2,723)	5,694	3,705	9,399
Exercise of options of a subsidiary	-	-	-	-	-	-	175	175
Foreign currency translation differences	-	-	-	35	-	35	-	35
Cost of share-based payment	-	44	-	-	-	44	16	60
Net profit	-	-	-	-	79	79	423	502
Balance at June 30, 2007 (unaudited)	<u>165</u>	<u>8,607</u>	<u>(311)</u>	<u>35</u>	<u>(2,644)</u>	<u>5,852</u>	<u>4,319</u>	<u>10,171</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (cont.)

US dollars

	Attributable to equity holders of the parent					Total	Minority interests	Total equity
	Share Capital	Additional paid-in capital	Capital reserve	Foreign currency translation differences	Accumulated deficit			
(in thousands)								
Balance at April 1, 2008 (unaudited)	165	8,794	(311)	211	(4,580)	4,279	4,594	8,873
Convertible loan converted into shares	50	576	-	-	-	626	-	626
Warrants, equity component of convertible loans issued by subsidiary and exercise of options into common stock of a subsidiary	-	(100)	-	-	-	(100)	(81)	(181)
Changes in capital structure expenses	-	-	-	-	(145)	(145)	-	(145)
Foreign currency translation differences	-	-	-	3	-	3	(6)	(3)
Cost of share-based payment	-	11	-	-	-	11	3	14
Loss	-	-	-	-	(580)	(580)	(70)	(650)
Balance at June 30, 2008 (unaudited)	<u>215</u>	<u>9,281</u>	<u>(311)</u>	<u>214</u>	<u>(5,305)</u>	<u>4,094</u>	<u>4,440</u>	<u>8,534</u>
Balance at April 1, 2007 (unaudited)	165	8,585	(311)	24	(2,552)	5,911	4,000	9,911
Exercise of options of a subsidiary	-	-	-	-	-	-	175	175
Foreign currency translation differences	-	-	-	11	-	11	-	11
Cost of share-based payment	-	22	-	-	-	22	(1)	21
Net profit	-	-	-	-	(92)	(92)	145	53
Balance at June 30, 2007 (unaudited)	<u>165</u>	<u>8,607</u>	<u>(311)</u>	<u>35</u>	<u>(2,644)</u>	<u>5,852</u>	<u>4,319</u>	<u>10,171</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)	US dollars		US dollars	
	Six month period ended June 30,		Three month period ended June 30,	
	2008	2007	2008	2007
	Unaudited		Unaudited	
Cash Flows from Operating Activities:				
Net profit (loss) for the year	(1,565)	502	(650)	53
Adjustments for:				
Depreciation and amortization	123	123	62	96
Loss (gain) on issuance of shares of a subsidiary	-	65	-	65
Deferred taxes, net	208	(168)	104	(84)
Cost of share-based payment	36	60	14	21
Accretion of convertible loan	(24)	-	(62)	-
Other	(46)	2	(99)	(22)
	<u>(1,268)</u>	<u>584</u>	<u>(631)</u>	<u>129</u>
Changes in Operating Assets and Liabilities:				
Decrease (increase) in trade receivables	799	(128)	279	(269)
Decrease (increase) in other accounts receivable and prepaid expenses	(170)	70	(81)	131
Decrease (increase) in inventories	(259)	(63)	167	(157)
Increase (decrease) in trade payables	(813)	(56)	(522)	63
Increase (decrease) in other accounts payable and accrued expenses	12	(44)	116	(312)
Net cash provided (used in) by operating activities	<u>(1,699)</u>	<u>363</u>	<u>(672)</u>	<u>(415)</u>
Cash Flows from Investing Activities:				
Purchase of property and equipment	(91)	(137)	(33)	(40)
Additions to intangible assets	(1,229)	(781)	(371)	(484)
Net cash used in investing activities	<u>(1,320)</u>	<u>(918)</u>	<u>(404)</u>	<u>(524)</u>
Cash Flows from Financing Activities:				
Receipt of long-term loans	37	500	-	500
Repayment of long-term loans	(190)	(511)	(95)	(259)
Change in capital structure expenses	-	-	57	-
Proceeds from exercise of options of subsidiary	(202)	156	(202)	156
Net cash provided by (used in) financing activities	<u>(355)</u>	<u>145</u>	<u>(240)</u>	<u>397</u>
Increase (decrease) in cash and cash equivalents	(3,374)	(410)	(1,316)	(542)
Net foreign exchange differences	20	17	6	2
Cash and cash equivalents at beginning of the year	7,805	6,466	5,761	6,613
Cash and cash equivalents at the end of the year	<u>4,451</u>	<u>6,073</u>	<u>4,451</u>	<u>6,073</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS (cont.)

(in thousands)	US dollars		US dollars	
	Six month period		Three month period	
	ended June 30,	ended June 30,	ended June 30,	ended June 30,
	2008	2007	2008	2007
	Unaudited		Unaudited	
Supplementary Information:				
Cash paid during the year for interest	<u>76</u>	<u>97</u>	<u>34</u>	<u>50</u>
Income taxes	<u>78</u>	<u>207</u>	<u>34</u>	<u>98</u>
Supplemental schedule of non-cash activities:				
Repayment of notes payable and interest through conversion into common stock	<u>626</u>	<u>-</u>	<u>626</u>	<u>-</u>

The accompanying notes are an integral part of the consolidated financial statements.

MEDIVISION MEDICAL IMAGING LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

U.S. Dollars in thousands

NOTE 1 - GENERAL

- A. Medivision Medical Imaging Ltd. ("the Company"), an Israeli corporation located in Yokneam, was incorporated and commenced business operations in June 1993. The Group is primarily engaged in the business of designing, developing, manufacturing and marketing digital imaging systems, image enhancements and analysis software and related products and services for use by practitioners in the ocular healthcare field. The principal markets of the Company are located in the United States.

The Company's shares are traded on the EURO.NM market in Belgium.

- B. In January 2008, OIS, through its wholly-owned subsidiary, Abraxas Medical Solutions, Inc., a Delaware corporation ("Abraxas"), acquired substantially all the assets of AcerMed, Inc., a leading developer of Electronic Medical Records (EMR) and Practice Management software. AcerMed has been providing comprehensive and advanced EMR and Practice Management software solutions for medical practices, from solo practitioners to multi-site practices nationwide. Through the acquisition, OIS gained the rights to software applications that automate the clinical, administrative, and financial operations of a medical office.

- C. Below are data on the representative exchange rates of the US dollar, and the changes therein during the reported periods:

Exchange rate of \$1:

	NIS
June 30, 2008	3.352
June 30, 2007	4.249
March 31, 2008	3.553
March 31, 2007	4.155
December 31, 2007	3.846

Rate of increase (decrease) in the period:

	%
Six months ended June 30, 2008	(12.84)
Six months ended June 30, 2007	0.5
Three months ended March 31, 2008	(7.62)
Three months ended March 31, 2007	(1.66)
For the year ended December 31, 2007	(8.97)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS).

The consolidated financial statements have been prepared on the historical cost basis except for certain items that are measured at fair value.

MEDIVISION MEDICAL IMAGING LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)
U.S. Dollars in thousands

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (cont.)

IFRSs and IFRIC Interpretations not yet effective:

The Company has not early adopted the following IFRSs and IFRIC Interpretations that have been issued but are not effective as of December 31, 2007.

Standard or Interpretation	Description	Effective in reporting periods starting on or after
IFRIC 13	Customer Loyalty Programmes	July 1, 2008
IFRIC 15	Agreements for the Construction of Real Estate	January 1, 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	October 1, 2008
IAS 23	Borrowing Costs (Revised 2007)	January 1, 2009
IAS 1	Presentation of Financial Statements (revised 2007 & 2008)	January 1, 2009
IFRS 2	Share-based payment vesting conditions and cancellations (Amendments 2008)	January 1, 2009
IFRS 3	Business Combinations	July 1, 2009
IAS 27	Consolidated and Separate Financial Statements	July 1, 2009
IAS 32	Financial Instruments Presentation (Amendments 2008)	January 1, 2009
IFRS 8	Operating Segments	January 1, 2009

NOTE 3 - CASH AND CASH EQUIVALENTS (For the purpose of the cash flow statements)

Cash and cash equivalents comprise of the following:

(in thousands)	US dollars	
	June 30,	
	2008	2007
	Unaudited	
Cash and cash equivalents	4,764	6,309
Short-term bank credit	<u>(313)</u>	<u>(236)</u>
	<u>4,451</u>	<u>6,073</u>

NOTE 4 - MERGER AGREEMENT WITH OIS

On March 25, 2008 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 date of the merger, each MediVision ordinary share will be converted into 1.66 shares of OIS common stock for a total of approximately 11 million shares of OIS common stock: ("OIS Shares"). OIS Shares will be listed for trade on the NASDAQ OTC Bulletin Board.

MEDIVISION MEDICAL IMAGING LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)

U.S. Dollars in thousands

NOTE 4 - MERGER AGREEMENT WITH OIS (cont.)

This ratio reflects the approximately 9.4 million OIS Shares held by MediVision 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 exchange 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.

NOTE 5 - SEGMENT REPORTING

As of January 2008, with the commencing operation of Abraxas by OIS (see Note 1B, above), the Company began operating through two different core activities, as follows:

1. Electronic record and practice management software;
2. Ophthalmic application.

	US dollars		
(in thousands)	Six month period ended June 30, 2008 (Unaudited)		
	Electronic record and practice management software	Ophthalmic application	Total
Revenue from external customers	<u>109</u>	<u>7,169</u>	<u>7,278</u>
Operating loss	<u>(366)</u>	<u>(978)</u>	<u>(1,344)</u>
Loss	<u>(366)</u>	<u>(1,286)</u>	<u>(1,652)</u>

MEDIVISION MEDICAL IMAGING LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (cont.)
U.S. Dollars in thousands

NOTE 5 - SEGMENT REPORTING (cont.)

(in thousands)	US dollars		
	Three month period ended June 30, 2008 (Unaudited)		
	Electronic record and practice management software	Ophthalmic application	Total
Revenue from external customers	<u>67</u>	<u>3,610</u>	<u>3,677</u>
Operating loss	<u>(179)</u>	<u>(468)</u>	<u>(647)</u>
Loss	<u>(179)</u>	<u>(558)</u>	<u>(737)</u>

NOTE 6 - CONVERSION OF SHAREHOLDERS 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 was converted in to share capital of MV.

According to the above mentioned Term Sheet, any un-paid portion of the loan and any interest due, shall be convertible by each Shareholder (for himself only) at his election in whole or in part until the earlier of (i) the end of the Term or (ii) the consummation of the Merger into Ordinary Shares of MV, at a price per MV share reflecting a discount at the rate of 20% of MV's average share price on the EuroNext Stock Exchange during the 30 days immediately prior to conversion.

Following the conversion of the loan, Ophthalmic Imaging Systems ("OIS") shares used as securities for the convertible loan have been released from pledge.

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