



## Press Release

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**FOR IMMEDIATE RELEASE**

### **MediVision completes an Asset Purchase Agreement with OIS**

Haifa, Israel, MediVision Medical Imaging Ltd. ("MV", EURO.NM: MEDV) announced today, October 28<sup>th</sup>, 2009 that on October 21<sup>st</sup>, 2009 it consummated the Closing of the Asset Purchase Agreement ("APA") signed on June 24, 2009 with its US subsidiary Ophthalmic Imaging Systems ("OIS", OTCBB: OISI), under which OIS acquired certain assets and assumed certain liabilities from MV, all as detailed in MV's press release dated June 29, 2009.

According to the APA and subject to the conditions of the agreements as defined herein, OIS acquired all of MV's assets and activities relating to (i) digital electro-optical imaging devices technology, intellectual property and products, (ii) MV's branch in Belgium, (iii) all of MV's holdings in its German subsidiary CCS Pawlowski GmbH ("CCS"), constituting approximately 63% of the issued share capital of CCS, and (iv) its distribution agreements with various European distributors (all together, the "Purchased Assets"). OIS also assumed certain specific liabilities relating to the Purchased Assets.

In consideration for the Purchased Assets, OIS released MV from its obligations under certain loans granted by OIS to MV in various dates since 2005, estimated at approximately \$4.2 million and undertook MV's obligations in connection with a loan granted to MV by the Israeli United Mizrahi-Tefahot Bank, estimated at approximately \$1.5 million.

The valuation of the Purchased Assets for the purpose of the APA were determined, *inter alia*, upon a fairness opinion, prepared by an independent professional third party (the "Fairness Opinion"), taking into account the respective assets, liabilities, business plans, products and technologies, prospects and various other considerations.

To secure its obligations under the APA, MV deposited in escrow an aggregate of approximately 6 million shares of OIS, which MV owns (valued at approximately \$3.3 million based on current share price of OIS), 3.8 million of which shall also be pledged to OIS.

The APA also provides that (i) MV shall not compete with the business of the Purchased Assets for 3 years, (ii) MV and OIS shall each bear certain liabilities and indemnification undertakings towards each other and that MV shall refrain from certain actions specified in the APA without OIS' consent.

Following consummation of the APA, MV shall remain with certain historical assets and rights and its main asset shall be its shareholdings in OIS.

Along with the APA, MV signed additional ancillary documents, including a Voting Agreement regarding OIS with certain principal shareholders of OIS and of MV and an Escrow Agreement.

The APA was unanimously approved by MV's Board of Directors and Audit Committee on June 18, 2009.

On September 22, 2009 the General Meeting of MV's shareholders (in which shareholders representing approximately 74% of MV's issued share capital participated)(the "Meeting") unanimously resolved the following:

- That the Agreement and the transactions contemplated by the APA are fair to, and in the best interests of MV and its shareholders; and
- To approve the signing and performance of the APA and the transactions contemplated thereby; and
- To make all other affirmative determinations required to be made by MV in connection with the APA and the transactions contemplated thereby under the Israeli Companies Law; and

The Meeting further unanimously resolved, that the main reasons for such approval were as follows:

(i) Approval of the APA will allow the implementation of the SPA signed between OIS and Accelmed, thus allowing OIS, the MV's main asset, to avoid shutting down.

(ii) Without approval of the APA, MV might have had to sell its holdings in OIS, while the current market conditions may not have allowed full execution of such sale and at low prices.

(iii) Due to the global financial crisis, and after examining its options, the Meeting found that raising funds at this time is not possible.

Closing of the APA was held on October 21<sup>st</sup>, 2009, after securing all approvals and consents which were legally required, except for approvals from the Israeli Office of the Chief Scientist and the Investment Center of the Israeli Ministry of Industry, Trade & Labor for the performance of the Asset Purchase Agreement, which MV is to exert best efforts to obtain within 6 months from the Closing.

Mr Noam Allon, MediVision President and CEO, commented: "The completion of the APA agreement is a great achievement for the company. It is expected to enable the shareholders of MediVision to enjoy the success of its subsidiary OIS without the threats posed by MV's debts towards banks and OIS. MediVision will remain a holding company and a major shareholder, owning 35.6% of OIS stock.

OIS has recently announced the release of its new promising products OIS EyeScan and OIS Symphony Web new features in the American Academy of Ophthalmology (AAO) 2009, which has occurred earlier this week in San Francisco, California. For further information please review OIS website at [www.oisi.com](http://www.oisi.com) ".

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**About MediVision** - MediVision specializes in digital imaging devices for medical ophthalmic applications with an emphasis on diagnostics related to the eye retina. The Company owns 35.6% interest in Ophthalmic Imaging Systems Inc. based in Sacramento, California, USA, which has a significant market share and is a market leader in the ophthalmic digital imaging field.

**About Ophthalmic Imaging Systems** - Ophthalmic Imaging Systems ([www.oisi.com](http://www.oisi.com)), a majority-owned subsidiary of MediVision, is the leading provider of ophthalmic digital imaging systems. OIS designs, develops, manufactures and markets digital imaging systems and informatics solutions for the eye care market. With over twenty years in the ophthalmic imaging business, the Company has consistently introduced new, innovative technology. Through OIS' wholly-owned subsidiary, Abraxas Medical Solutions, the company provides Electronic Medical Records and Practice Management software to Ophthalmology as well as OB/GYN, Orthopedic and Primary care. OIS, together with MediVision, co-markets and supports their products through an extensive network of dealers, distributors, and direct representatives. OIS is a registered member Company listed on [www.OTCVillage.com](http://www.OTCVillage.com).

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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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