MEDIVISION MEDICAL IMAGING LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS AT 30 JUNE 2010

Contents

Haklai&Co.CPA
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Report on review of interim condensed consolidated financial statements to the shareholders of Medivision Medical Imaging Ltd.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Medivision Medical Imaging Ltd. and its subsidiaries (the company) as at 30 June 2010, comprising of the interim consolidated statement of financial position as at 30 June 2010 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flow for six – month period then ended. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with 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. Consequently, it does not enable us to obtain assurance that would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, 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.

Haklai & Co.

Haklai & Co.
Certified Public Accountants

Ramat-Gan, Israel
15 August, 2010

Interim consolidated statement of financial position

As at 30 June 2010

	30 June 2010 unaudited	31 December 2009 audited
	$000	$000
Assets		
Current assets		
Cash	-	27
Trade and other receivables	61	175
	61	202
Non-current assets		
Investments in an associate	2,734	2,513
Total assets	**2,795**	**2,715**
Liabilities and equity		
Current liabilities		
Credit from banks	186	(*) 42
Trade and other payables	433	(*) 982
	619	1,024
Non-current liabilities		
Convertible loan from shareholders	1,240	(*) 1,180
Employee benefit liability	61	61
	1,301	1,241
Total liabilities	**1,920**	**2,265**
Equity		
Issued capital	215	215
Share premium	9,302	9,302
Capital reserve	(311)	(311)
Retained deficit	(8,331)	(8,756)
Total equity	875	450
Total equity and liabilities	**2,795**	**2,715**

(*) Reclassified

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

15 August, 2010			
Date of approval of the financial statements	Yigal Berman Chairman of the Board	Noam Allon CEO	Boaz Benyamin CFO

Interim consolidated statement of income

For the six months ended 30 June 2010

	2010	2009
	unaudited	
	$000	$000
Sales	-	5,988
Cost of sales	-	3,163
Gross profit	**-**	**2,825**
Other income	1,064	436
Selling and marketing expenses	-	1,994
General and administrative expenses	98	1,435
Research and development costs, net	-	1,344
Operating profit (loss)	**966**	**(1,512)**
Financial income	-	70
Financial expenses	(82)	(431)
share of loss of an associate	(459)	(692)
Profit (loss) before tax	**425**	**(2,565)**
Income tax expenses	-	(3)
Profit (loss) for the period	**425**	**(2,568)**
attributable to:		
Equity holders of the parent	425	(2,236)
Minority interests	-	(332)
	425	**(2,568)**
Earnings per share		
Basic, loss for the year attributable to ordinary equity holders of the parent	0.050	(0.093)

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

Interim consolidated statement of comprehensive income

For the six months ended 30 June 2010

	2010	2009
	unaudited	
	$000	$000
Profit (loss) for the period	**425**	**(2,568)**
Other comprehensive income		
Exchange differences on translating foreign operations	-	26
Total comprehensive loss	**425**	**(2,542)**
attributable to:		
Equity holders of the parent	425	(2,236)
Minority interests	-	(306)
	425	**(2,542)**
Earnings per share		
Basic, loss for the year attributable to ordinary equity holders of the parent	0.050	(0.093)

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

Interim consolidated statement of changes in equity

For the six months ended 30 June 2010

	Attributable to equity holders of the Parent							
	Share capital	Share premium	Capital reserve	Foreign currency translation differences	Retained deficit	Total	Minority interests	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000
As at 1 January 2010	**215**	**9,302**	**(311)**	**-**	**(8,756)**	**450**	**-**	**450**
Total comprehensive loss	-	-	-	-	425	425	-	425
As at 30 June 2010 (unaudited)	**215**	**9,302**	**(311)**	**-**	**(8,331)**	**875**	**-**	**875**

For the six months ended 30 June 2009

	Attributable to equity holders of the Parent							
	Share capital	Share premium	Capital reserve	Foreign currency translation differences	Retained deficit	Total	Minority interests	Total equity
	$000	$000	$000	$000	$000	$000	$000	$000
Balance at December 31, 2008 (audited)	**215**	**9,302**	**(311)**	**67**	**(6,826)**	**2,447**	**3,047**	**5,494**
Total comprehensive loss for the period	-	-	-	13	(2,249)	(2,236)	(306)	(2,542)
Change in minority interest due to loss of control in subsidiary	-	-	-	-	-	-	(2,565)	(2,565)
Balance at June 30,2009 (unaudited)	**215**	**9,302**	**(311)**	**80**	**(9,075)**	**211**	**176**	**387**

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

Interim consolidated statement of cash flows

For the six months ended 30 June 2010

	2010	2009
	unaudited	
	$000	$000
Operating activities		
Profit (loss) for the period	425	(2,568)
Non-cash Adjustments to reconcile loss to net cash flows		
Depreciation of Property and equipment and Intangible assets	-	785
Loss disposal of property and equipment	-	16
Loss (gain) from loss of control in subsidiary	-	564
Gain from Decrease of holding in subsidiary	(748)	-
Gain from sale of investments in subsidiary	(148)	-
Company's share of loss of associate	459	692
Financial costs	82	(*) 431
Other	-	164
Working capital adjustments		
Decrease in trade and other receivables	114	188
Decrease in inventories	-	492
Decrease in trade and other payables	(550)	(471)
	(366)	**293**
Interest Paid	(18)	(*) (127)
Net cash from (used in) operating activities	**(384)**	**166**
Investing activities		
Purchase of Property and equipment	-	(65)
Proceeds from sale of Property and equipment	-	15
Additions to intangible assets	-	(89)
Proceeds from sale of investment in previously consolidated subsidiary (a)	-	(1,333)
Proceeds from sale of investments in subsidiary	217	
Net cash from (used in) investing activities	**217**	**(1,472)**
Financing activities		
Receipt of convertible loan from shareholders	-	(*) 450
Short-term credit from banks	140	(*) 244
Repayment of long-term loans	-	(*) (2,154)
Net cash used in financing activities	**140**	**(1,460)**
Net decrease in cash and cash equivalents	(27)	(2,766)
Exchange differences on balances of cash and cash equivalents	-	1
Cash and cash equivalents at 1 January	27	(*) 2,785
Cash and cash equivalents at 30 June	**-**	**20**

(*) Reclassified

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

Consolidated statement of cash flows

For the six months ended 30 June 2010

	2010	2009
	unaudited	
	$000	$000

a. loss of control of investment in previously consolidated subsidiary:

The subsidiary's assets and liabilities at date of loss of control:

Working capital (excluding cash and cash equivalents)	-	3,680
Property and equipment	-	328
Goodwill and Intangible assets	-	4,098
Long-term loans	-	(1,397)
Minority interests	-	(2,565)
Capital loss	-	(564)
Investment in associate	-	(4,913)
	-	(1,333)

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

Notes to the consolidated financial statements

1. Corporate information

The interim condensed consolidated financial statements of the company for the six month ended in 30 June 2010 were authorized for issue in accordance with a resolution of directors on 15 August, 2010.

Medivision Medical Imaging Limited is limited company incorporated and domiciled in Israel whose shares are publicly traded in Belgium.

2. Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six month ended 30 June 2010 have been prepared in accordance with IAS 34.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2009.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2009, except for the adoption of new standards and interpretations as of 1 January 2010, noted below:

- IFRS 2 *Share-based Payment – Company Cash-settled Share-based Payment Transactions*
  The standard has been amended to clarify the accounting for company cash-settled share-based payment transactions. This amendment also supersedes IFRIC 8 and IFRIC 11. The adoption of this amendment did not have any impact on the financial position or performance of the Company.

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accenting polices, financial position or performance of the company.

- IFRS 3 *Business Combination (Revised) and IAS 27 Consolidated and Separate Financial Statements*
- IAS 39 *Financial instruments: Recognition and Measurement – Eligible Hedged Items*
- IFRIC 17 *Distributions of Non Cash Assets to Owners*

3. Investments in an associate

The company has 32.65% in Ophthalmic Imaging Systems, which is involved in the business of designing, developing, manufacturing and marketing digital imaging systems and informatics solutions.

Ophthalmic Imaging Systems is a company incorporated in Sacramento, California, USA, whose shares are traded over the counter on the NASDAQ.

The company holds 9,112,932 shares of OIS common stock which their market value as at 30 June 2010 is 9.1 million US dollars.

Pursuant to the terms of the MediVision convertible loan agreements, the Company pledged to the shareholders 4,837,391 shares of common stock of OIS. As security for the Company's obligation including repayments of the loan and any interest due thereon and the Conversion Rights,

Pursuant to the terms of the MediVision Asset Purchase Agreement (the "APA") an Escrow Agreement (the "Escrow Agreement") between OIS, MediVision and Stephen L. Davis, Esq. dated June 24, 2009, MediVision deposited 3,793,920 shares (the "Escrow Shares") of OIS common stock into escrow. If MediVision failed to make certain payments under the APA, the Escrow Shares would have been distributed to OIS or sold. The agreement will terminate upon the later of (i) October 21, 2011 or (ii) the satisfaction and discharge of the $1,800,000 claim made by the Office of the Chief Scientist of the Israeli Ministry of Industry, Trade & Labor to MediVision. MediVision made all required payments related to the APA and during 2010 MediVision satisfied the $1,800,000 claim made by the Office of Chief Scientist of the Israeli Ministry of Industry, Trade & Labor.

Condensed information on financial position as at 30 June 2010

	30 June 2010 unaudited	31 December 2009 audited
	$000	$000
Current assets	11,143	9,288
Non-current assets	3,275	3,749
Total assets	14,418	13,037
Current liabilities	5,943	4,253
Non-current liabilities	2,073	3,344
Total liabilities	8,016	7,597
Equity attributable to equity holders of the parent	5,951	4,976
Equity attributable to Minority	451	464

Condensed information on statements of income for the six months ended **30 June 2010**

	2010	2009
	unaudited	
	$000	$000
Revenues	8,893	5,308
Gross profit	5,113	2,624
Operating loss	(1,017)	(6,170)
Loss for the period	(1,348)	(5,112)
Total comprehensive loss	(1,433)	(5,112)
attributable to:		
Equity holders of the parent	(1,420)	-
Minority interests	(13)	(5,112)

4. Significant events during the reporting period

4.1 During the reporting period the company has realized OIS shares in consideration of 217 thousand dollars. Following the realization, the company's holdings in OIS shares and voting rights decreased to 34.12%. The capital gain derived from the realization of the shares was 68 thousand dollars and is included in other income.

- On March, 2010 was the exercise of convertible bonds issued by OIS, the company's holdings in OIS shares and voting rights had decreased to 34.52%. The capital gain derived from the decreasing in the company's holdings of OIS was 124 thousand dollars and is included in other income.

- On May 26, 2010 the 2nd and final installment in OIS was completed, under which OIS issued to AccelMed 1,193,696 shares for an aggregate purchase price of $1,999,967. As a result the company holdings in OIS decreased to 32.65%. The capital gain from the reduction in the amount of 625 thousand dollars is included in the other income.

4.2 In a meeting held on 20 May 2010, the company's Board of Directors was informed about the intention of certain majority shareholders to convert all convertible loans granted to the company into shares in accordance to the following terms;

- Loans and any interest due thereon may be converted in a whole or in part into ordinary shares of the Company, at a conversion price equal to the lower between (1) the Company's average share price on the Belgium EuroNext Stock Exchange during the 30 days prior the date of an agreement from August 2008 between certain majority shareholders; and (2) the Company's average share price on the Belgium EuroNext Stock Exchange during the 30 days prior the Conversion, and in each case subject to a discount at the rate of 20% of the Company's average share price on the Belgium EuroNext Stock Exchange at the applicable dates. Never the less, until the day of approving these reports the company was not instructed to execute the conversion.