



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for Second quarter of 2010

Haifa, Israel, MediVision Medical Imaging Ltd. ("MediVision", "MV", EURO.NM: MEDV) released today (Monday, August 23rd, 2010) information concerning its operations and financial results for the period ended June 30th, 2010.

On May 26, 2010 a second and final investment of AccelMed in OIS was completed. Following that investment OIS issued 1,193,696 new shares for an aggregate purchase price of \$1,999,967. As a result MediVision holdings in OIS decreased to 32.65%. The capital gain from the reduction in the amount of \$625,000 is included in other income.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE SECONED QUARTER OF 2010: (in thousands U.S. Dollars, except per-share data)

	2010	2009
	<u>unaudited</u>	
	\$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 in 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)

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

General and Administrative Expenses - General and Administrative expenses include mainly professional services, and various provisions. Total General and Administrative expenses for the quarter ended June 30, 2010 were \$98,000, as compared to \$54,000 in the first quarter. This is mainly a result of professional services

Other Income Net - This income reflects the profit from decreasing MediVision share in OIS as a result of investment of third party in OIS (for further details see note 3 of the financial statement) and profit from an agreement with a supplier to reduce the company debt in the amount of \$80,000.

Balance Sheet Information as of:

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

investments in an associate - Due to ceasing consolidation of OIS and CCS reports and due to the selling of CCS shares as part of the implementation of the APA agreement this account reflects the investment in OIS (please see note 6 in the financial statements as of December 2009) .

Long-term debt - reflects convertible loans from shareholders. According to the agreement the shareholders have the right to convert it at any time. Until the day of publishing the financial reports of the second quarter of 2010 the Company did not receive any order to convert the loans.

Total equity - During the Quarter ended June 30th, 2010, total equity was increased by \$655,000 reaching \$875,000. This is a result of losses in OIS during the period, deducted by profit gained from selling shares of OIS (please see note 4 to the financial statements).

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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