



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for of the Quarter ended at September 30th, 2011

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", "MV", EURO.NM: MEDV) released today (Monday, October 10th, 2011) information concerning its operations and financial results for the period ended September 30th, 2011.

During the Quarter ended September 30th, 2011 MediVision received shares of Merge Healthcare Inc. (NASDAQ: MRGE) in an amount that reflected OIS share value of \$1 per share in a conversion ratio of 0.1693 Merge Healthcare shares for each one of OIS shares. This conversion ratio reflected market value of \$5.9 for each Merge Healthcare share. The company sold during the quarter 78% of these Merge Healthcare shares in an average price of \$6.59 per share so gain from these shares in the quarter came to \$7,837,000.

During a Board of Directors meeting that was held yesterday, October 9th 2011 it was decided to declare an interim dividend to be paid to all MediVision shareholders in the amount of \$6,742,000 reflecting \$0.53 for each of the 12,720,590 company shares. The dividend will be paid on October 28th, 2011 - the Record-date will be October 27th, 2011 and the Ex-date will be October 25th, 2011.

STATEMENT OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30th, 2011:

(Thousands U.S. Dollars, except per-share data)

	Period of nine months ended		Period of three months ended		Year ended
	September 30		September 30		December 31
	2011	2010	2011	2010	2010
	Unaudited				Audited
	\$000				
Other income (loss)	8,846	955	8,616	(109)	1,006
General and administrative expenses	(857)	(141)	(790)	(43)	(166)
Operating profit (loss)	7,989	814	7,826	(152)	840
Financial income	-	-	11	-	-
Financial expenses	(64)	(126)	-	(44)	(246)
share in loss of an associate	(901)	(545)	-	15	* (809)
loss before tax	7,024	143	7,837	(181)	(215)
Income tax expenses	-	-	-	-	-
Loss for the year	7,024	143	7,837	(181)	(215)
attributable to:					
Equity holders of the parent	-	-	-	-	(215)
Minority interests	-	-	-	-	-
	7,024	143	7,837	(181)	(215)
Earnings per share					
Basic, loss for the year attributable to ordinary equity holders of the parent	0.784	0.016	0.792	(0.021)	(0.02)

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

Other Income Net - This income reflects profit from share conversion of OIS shares in the amount of \$7.9M, additional \$1M from selling OIS shares and Merge Healthcare shares in the stock market, and additional \$60K profit from adjusting the unsold shares price to \$6.09 per share according to the stock market price on September 30th, 2011.

CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2011: (Thousands U.S. Dollars, except per-share data)

	30 September		31 December
	2011	2010	2010
	Unaudited		Audited
	\$000		
Assets			
Current assets			
Cash	6,294	1	-
Marketable securities	1,992	-	-
Trade and other receivables	1,074	58	65
	<u>9,360</u>	<u>59</u>	<u>65</u>
Non-current assets			
Investments in an associate	-	2,070	1,838
Total assets	<u>9,360</u>	<u>2,129</u>	<u>1,903</u>
Liabilities and equity			
Current liabilities			
Credit from banks and shareholders	-	236	1,892
Trade and other payables	925	439	178
	<u>925</u>	<u>675</u>	<u>2,070</u>
Non-current liabilities			
Convertible loan from shareholders	-	1,267	-
Employee benefit liability	-	61	65
	<u>-</u>	<u>1,328</u>	<u>65</u>
Total liabilities	<u>925</u>	<u>2,003</u>	<u>2,135</u>
Equity			
Issued capital	379	215	215
Share premium	10,781	9,302	9,302
Capital reserve	(311)	(311)	(311)
Retained deficit	(2,414)	(9,080)	(9,438)
Total equity	<u>8,435</u>	<u>126</u>	<u>(232)</u>
Total equity and liabilities	<u>9,360</u>	<u>2,129</u>	<u>1,903</u>

Investments in associate/marketable securities - The Company held 8,631,311 shares of OIS common stock. On August 4th, 2011 the Shareholders meeting approved a Share Purchase Agreement with Merge Healthcare. According to the Share Purchase Agreement the shares of OIS were converted into Merge Healthcare shares in a ratio of 0.1693. Starting August 5th, 2011 the Company share in Merge was less than 25% and the intention of the Company is to sell Merge Healthcare shares, in the future. The shares of Merge Healthcare that remain unsold are reported in the amount of \$1,992,000 according to the market price at September 30th, 2011 (\$6.09 per share).

Cash - is held in USD deposit that gain 0.8% annual interest in average.

Trade and other receivables - The major amount is cash receivable from selling shares which was actually received during early October, 2011.

Total Equity - During the nine months period ended September 30th, 2011 Total Equity was increased by \$7,024,000. The Equity was increased partially by \$1,643,000 as a result of the conversion of shareholders loans and partially by gain from sale of Merge Healthcare shares as described above. The company issued 4,235,718 new shares and the total amount of shares was increased to 12,720,590 ordinary shares.

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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