



Press Release

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FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for the Period ended September 30, 2007

Yokneam Elit, Israel, MediVision Medical Imaging Ltd. ("MediVision", EURO.NM: MEDV) released today (November 26, 2007) information concerning its operations and financial results for the period ended September 30, 2007. MediVision Revenues for the three and nine months periods ended September 30, 2007 aggregated to \$3,512,000 and \$11,956,000 compared to revenues of \$4,269,000 and \$12,412,000 for the comparable periods of 2006, reflecting a decrease of 18% for the quarter and a decrease of 4% for the nine months period.

Highlights of the period ended September 30, 2007

Belgium Branch - As of Mid March 2007, the Company opened a Branch office in Belgium for selling and servicing its products in the Belgian market, and supporting the sales activity in the French market.

Development costs - In the nine months period ended September 30, 2007, the Company recognized development costs in the amount of \$1,142,000 as an intangible asset in accordance with the criteria for recognition as set forth in IAS 38 "Intangible Assets". Therefore gross R&D spending for the period totaled \$2,270,000.

Receipt of a \$500,000 long term loan - During the reported quarter, the Company received a long term loan from United Mizrahi Bank Ltd. in the amount of \$500,000. The loan will be paid in eighteen monthly installments, commencing on April 2008, under certain conditions set forth in the loan agreement.

Convertible loan - On September 2007, the Company entered into a convertible loan Agreement with certain of its shareholders. According to this agreement, these shareholders will provide a convertible loan to the Company in the amount of up to \$1,000,000. The loan shall bear interest at an annual rate of 9%, and shall be repaid within 12 months from closing, unless converted before according to the terms and conditions of the agreement. The loan is convertible in whole or in part, into Ordinary shares of the Company, at a price per share reflecting a discount rate of 20% of the Company's average share price during the 30 days immediately prior to conversion. OIS shares owned by the company, in an aggregate value of \$1,300,000, will be apportioned among the shareholders pro-rata to their portion of the loan, and will serve as collateral. The company shall convene a general meeting of its shareholders for the approval of the transactions. During the period the company received according to the Agreement an aggregate loan in the amount of \$350,000, and addition \$50,000 after balance sheet date.

Subsequent events in OIS - On October 29, 2007, OIS entered into a Purchase Agreement (the "Purchase Agreement") with the purchasers named therein (the "Purchasers"), pursuant to which OIS issued to the Purchasers (i) an aggregate of \$2,750 in principal amount of its 6.5% Convertible Notes Due April 30, 2010 (the "Notes"), which Notes are convertible into 1,676,829 shares (the "Underlying Shares") of OIS common stock, no par value, and (ii) warrants ("Warrants") to purchase an aggregate of 616,671 shares (the "Warrant Shares") of OIS common stock at an exercise price of \$1.87 per share. OIS will use the proceeds from the issuance of the Notes for working capital and potential acquisitions.

Merger term sheet with OIS - MediVision entered into a non-binding term sheet with OIS (OCT BB:OISI), MV's US Subsidiary. According to the terms and subject to the conditions of the Final Agreements as defined hereinafter, OIS Ltd, an Israeli company under incorporation and a wholly-owned subsidiary of OIS and MV intend to effect the merger of OIS Ltd. with and into MV (the "Merger"), following which OIS Ltd. will cease to exist, MV's outstanding shares will be converted into shares of OIS common stock, and MV will become a wholly-owned subsidiary of OIS.

In addition, outstanding options and warrants to purchase MV shares shall also be converted into options or warrants, as the case may be, to purchase shares of OIS Common Stock. The Term Sheet also includes

additional provisions regarding certain rights of major shareholders of MV, voting arrangements, registration rights and provisions applicable to share transfers.

The principal terms and conditions included in the Term Sheet are to be contained in a more detailed manner in a Definitive Agreement to be negotiated in good faith between the parties, based on the principals outlined in the signed Term Sheet (the "Final Agreement"). The Final Agreement will be subject to approval by OIS and MV's shareholders in special shareholders meeting, as well as securing all other approvals and consents which are legally required.

Information in regards to the Financial Situation for the three and nine months ending September 30, 2007

CONSOLIDATED STATEMENTS OF OPERATIONS (U.S. Dollars in thousands, except per share data)

	For the nine months Ended September 30,		For the three months ended September 30,	
	2007	2006	2007	2006
	Unaudited			
Sales	11,956	12,418	3,512	4,269
Cost of Sales	5,094	5,412	1,484	1,875
Gross Profit	6,862	7,006	2,028	2,394
Operating expenses:				
Research and Development costs, net	1,128	1,659	312	469
Selling and Marketing expenses	3,000	2,924	967	985
General and Administrative expenses	1,875	1,726	559	601
Total operating expenses	6,003	6,309	1,838	2,055
Operating income	859	697	190	339
Financial expenses, net	106	163	83	30
Profit for the period before Other Income	753	534	107	309
Other Income (expenses), net	(72)	1,347	3	-
Profit for the period before taxes on Income	681	1,881	110	309
Income tax (expenses) income	(55)	2	14	11
Net Profit for the period	626	1,883	124	320
Attributed to:				
Equity holders of the parent	26	1,226	(53)	68
Minority interests	600	657	177	252
	626	1,883	124	320
Basic earnings (loss) per share (in U.S. Dollars)	0.01	0.18	(0.01)	0.01
Diluted earnings (loss) per share (in U.S. Dollars)	(0.01)	0.15	(0.01)	0.00

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

Sales - The consolidated Sales for the three and nine months periods ended September 30, 2007 aggregated to \$3,512,000 and \$11,956,000 compared to sales of \$4,269,000 and \$12,418,000 for the comparable periods of 2006, reflecting a decrease of 18% and of 4% accordingly.

Gross Profit - Gross profit for the three and nine months periods ended September 30, 2007 were \$2,028,000 and \$6,862,000 or 58% and 57% of sales revenues, as compared with \$2,394,000 and \$7,006,000 which were 56% of sales revenues for both of the comparable periods of 2006.

Research and Development Expenses - Net R&D expenses for the three and nine months ended September 30, 2007 amounted to \$312,000 and \$1,128,000 or 9% and 9% of Sales revenues. During the reported period, the Company recognized development costs in the amount of \$1,142,000 as an intangible asset in accordance with the criteria for recognition as set forth in IAS 38 "Intangible Assets". The total R&D spending during the nine months period was \$2,270,000 or 19% of Sales revenues compared to \$2,583,000 or 21% of Sales revenues in the comparable period of 2006.

Selling and Marketing Expenses - Total Selling and Marketing expenses for the three and nine months ended September 30, 2007 amounted \$967,000 and \$3,000,000 which are 28% and 25% of total Sales revenues, as compared with \$985,000 and \$2,924,000 which were 23% and 24% of total Sales revenues for the comparable periods in 2006.

General and Administrative Expenses - General and Administrative expenses include mainly salaries, professional services, rental, maintenance and various provisions. Total General and Administrative expenses for the three and nine months ended September 30, 2007 were \$559,000 and \$1,875,000 which are 16% of the

total Sales in both periods, as compared to \$601,000 and \$1,726,000, which were 14% of total Sales in both periods for the comparable periods of 2006.

Other Income (expenses), Net – During the three and nine months periods the Company recorded other expenses associated with Capital losses from the exercise of Options by the minority shareholders of the Company's American subsidiary. During of the equivalent period of 2006 the Company sold 1,000,000 of OIS's Common Stock for the consideration of approximately \$1,772,000 (net of expenses of \$28,000), the associated capital gain for this transaction amounted to \$1,149,000. The Company also recorded during the comparable period (first quarter of 2006) a gain of \$226,000 from the issuance of shares by OIS upon conversion of a note.

Minority Interest - Minority interest for the three and nine months periods ended September 30, 2007 are attributed mainly to the part of OIS minority shareholders in the profits of OIS. In addition part of the minority interest is attributed to the minority shareholders of CCS Pawlowski GmbH, the company's German subsidiary.

Balance Sheet Information

	<u>September 30, 2007</u>	<u>December 31, 2006</u>
Assets		
Current Assets		
Cash and cash equivalents	5,540	6,719
Restricted cash	166	160
Trade receivables, net	3,787	3,486
Other accounts receivable and prepaid expenses	145	279
Inventories	<u>1,014</u>	<u>1,085</u>
Total Current Assets	10,652	11,729
Property and Equipment, net	552	506
Deferred Tax Asset	1,425	1,172
Goodwill and Other Assets	<u>6,206</u>	<u>4,721</u>
Total Assets	<u><u>18,835</u></u>	<u><u>18,128</u></u>
Liabilities and Equity		
Current Liabilities		
Short-term bank credit and current maturities	1,163	1,316
Trade payables	1,581	1,611
Other accounts payable and accrued expenses	4,093	4,395
Convertible loan from shareholders	<u>262</u>	<u>-</u>
Total Current liabilities	7,099	7,322
Long-Term Liabilities		
Long-term loans, net of current maturities	1,114	1,206
Other Liabilities	<u>222</u>	<u>201</u>
Total long-term liabilities	1,336	1,407
Total liabilities	<u><u>8,435</u></u>	<u><u>8,729</u></u>
Equity		
Share Capital	165	165
Additional paid-in capital	8,629	8,563
Foreign currency translation differences	90	-
Capital reserve	(311)	(311)
Accumulated deficit	<u>(2,697)</u>	<u>(2,723)</u>
	5,876	5,694
Minority interest	<u>4,524</u>	<u>3,705</u>
Total Equity	10,400	9,399
Total liabilities and equity	<u><u>18,835</u></u>	<u><u>18,128</u></u>

Long-term debt - Long-term debt during the nine months ended September 30, 2007 decreased due to of repayments of long-term loans this was partly offset by receipt of a new loan.

Total equity - During the nine months ended September 30, 2007, total equity was increased by \$1,001,000 or 11% reaching \$10,400,000.

About MediVision - MediVision specializes in digital imaging devices for medical ophthalmic applications with an emphasis on diagnostics related to the eye retina. MediVision's products are designed to provide digital upgrades for a range of ophthalmic imaging systems, thus significantly enhancing imaging capability and providing its users with advanced diagnostic tools. The company has significant market share and is a market leader in the ophthalmic digital imaging field. As of the balance sheet date, the Company owns 56% interest in Ophthalmic Imaging Systems Inc. based in Sacramento, California, USA and 63% interest in CCS Pawlowski GmbH based in Jena, Germany.

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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