



Press Release

MediVision Medical Imaging Ltd.
 26 Ba'alei Melacha St., Haifa, Israel 32230

☎ +(972) 4-989-4884 ☎ +(972) 4-989-4883
 📧 noam@medivision-ois.com

FOR IMMEDIATE RELEASE

MediVision Presents Management's Report for first quarter of 2010

Haifa, Israel, MediVision Medical Imaging Ltd. ("MediVision", "MV", EURO.NM: MEDV) released today (Monday, May 24th, 2010) information concerning its operations and financial results for the period ended March 31st, 2010.

As a result of the asset purchase agreement that was executed at October 2009 the company ceased business activity and concentrated in reducing its open debts. The main financial source was selling shares of OIS in the stock market. During the 3 month ended March 31 2010 the company sold 138,211 shares of OIS, from which it gained a profit in the amount of \$67,000.

Following the exercise of convertible debentures issued by OIS, the company's holdings in OIS shares and voting rights have decreased to 34.52%. The capital gain derived from the decrease in the company's holdings of OIS was 124,000 dollars and is included in other income.

As a result of the events described above the total share of the company in OIS is reduced from 35.33% as it was at December 31, 2009 to 34.52% at March 31, 2010.

After closing of the financial report the company has reached an agreement with one of its major suppliers to reduce its debt to this supplier in the amount of \$80,000 in return to significant reduction in terms of payment. The influence of this agreement is not included in the current reports.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE FIRST QUARTER OF:

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

	2010	2009
	unaudited	
	\$000	\$000
Sales	-	2,635
Cost of sales	-	(1,216)
Gross profit	-	1,419
Other income (loss)	211	(201)
Selling and marketing expenses	-	(1,013)
General and administrative expenses	(54)	(603)
Research and development costs, net	-	(938)
Operating profit (loss)	157	(1,336)
Financial income	-	51
Financial expenses	(56)	(149)
share in loss of an associate company	(301)	-
loss before tax	(200)	(1,434)
Income tax expenses	-	(1)
Loss for the year	(200)	(1,435)
attributable to:		
Equity holders of the parent	(200)	(937)
Minority interests	-	(498)
	(200)	(1,435)
Earnings per share		
Basic, loss for the year attributable to ordinary equity holders of the parent	(0.024)	(0.169)

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

Sales - The consolidated Sales for the quarter ended March 31st, 2010 aggregated to \$0 compared to sales of \$2,635,000 for the comparable Quarter of 2009. This is the result of ceasing the consolidation of OIS and CCS results compared to 2009 when OIS and CCS reports were consolidated partially.

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 quarter ended March 31, 2010 were \$54,000, as compared to \$603,000, which were 22.8% of total Sales in the comparable year of 2009. This is mainly a result of ceasing the consolidation of OIS and CCS results, and partly of the reduction in the expenses because there is no business activity during the quarter

Minority Interest – There are no financial results that include minority during the quarter.

Other Income Net - This income reflects the profit from decreasing Medivision share in OIS. For further details see note 4 of the financial statement.

Balance Sheet Information as of:

	31 March	31 December
	2010	2009
	unaudited	audited
	\$000	\$000
Assets		
Current assets		
Cash	9	27
Trade and other receivables	123	175
	132	202
Non-current assets		
Investments in an associate	2,299	2,513
Total assets	2,431	2,715
Liabilities and equity		
Current liabilities		
Credit from banks	42	(*) 42
Trade and other payables	863	(*) 982
	905	1,024
Non-current liabilities		
Convertible loan from shareholders	1,215	(*) 1,180
Employee benefit liability	61	61
	1,276	1,241
Total liabilities	2,181	2,265
Equity		
Issued capital	215	215
Share premium	9,302	9,302
Capital reserve	(311)	(311)
Retained deficit	(8,956)	(8,756)
Total equity	250	450
Total equity and liabilities	2,431	2,715

investments in an associate: Due to the 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) .

Goodwill and Intangible assets: Due to ceasing consolidation of OIS and CCS and selling the Knowledge of the digital electro-optical imaging devices technology to OIS, this account was reduced to 0 at December 31st, 2009 (please see note 7 in the financial statements of December 2009).

Long-term debt - Long-term debt during the period ended December 31st, 2009 decreased due to repayments of loans. Due to the completion of the APA agreement during the fourth quarter of 2009 all bank loans were repaid.

Total equity - During the Quarter ended March 31st, 2010, total equity was decreased by \$200,000 reaching \$250,000. 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.

For more information, please contact: **Noam Allon**
President, Chief Executive Officer
Tel. +972-4-9894884; Fax +972-4-9894883
E-mail: noam@medivision-ois.com