

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

Form 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report( Date of earliest event reported): September 8, 2003

LanVision Systems, Inc.

-----  
(Exact name of registrant as specified in its charter)

Delaware

0-28132

31-1455414

-----  
(State or other jurisdiction  
of incorporation)

(Commission  
File Number)

(IRS Employer  
Identification No.)

5481 Creek Road, Cincinnati, OH 45242-4001

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(Address of principal executive offices)

Registrant's telephone number, including area code (513) 794-7100  
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Item 12 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On September 8, 2003, LanVision Systems, Inc. ("LanVision") issued the press release attached hereto as Exhibit 99.1, which press release contains financial information about LanVision's second completed fiscal quarter of 2003. The information hereunder shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

LanVision Systems, Inc.

Date: September 8, 2003

By: /s/ Paul W. Bridge, Jr.

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Paul W. Bridge, Jr.  
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
99.1	News Release of LanVision Systems, Inc. Dated September 8, 2003 Second Quarter Earnings News Release

LANVISION SYSTEMS, INC.  
News Release of LanVision Systems, Inc. Dated September 8, 2003

NEWS RELEASE  
Visit our web site at: [www.lanvision.com](http://www.lanvision.com)  
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COMPANY CONTACT:  
PAUL W. BRIDGE, JR.  
CHIEF FINANCIAL OFFICER  
(513) 794-7100

FOR IMMEDIATE RELEASE  
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LANVISION SYSTEMS REPORTS SECOND QUARTER FISCAL 2003 RESULTS

Cincinnati, Ohio, September 8, 2003 --- LanVision Systems, Inc. (NASDAQ: LANV) today announced the financial results for the second quarter and first six months ended July 31, 2003.

Revenues for the second quarter were \$2,966,590 compared with \$3,272,188 reported in the second quarter of last year. The operating income for the second quarter of fiscal 2003 was \$646,559, compared with operating income of \$649,994 in the second quarter of fiscal 2002. Net earnings for the quarter were \$213,596, or \$0.02 per basic and diluted common share, compared with net earnings of \$201,632, or \$0.02 per basic and diluted common share in the second quarter of fiscal 2002.

Revenues for the first six months were \$5,586,572, compared with \$6,305,407 reported in the first six months of last year. The operating income for the first six months of fiscal 2003 was \$398,542 compared with operating income of \$1,181,346 in the comparable prior period. The Net Loss for the first six months was (\$462,196), or (\$0.05) per basic and diluted common share, compared with net earnings of \$299,901, or \$0.03 per basic and diluted common share in the first six months of last year.

Second Quarter Highlights include:

- Announced the new strategic relationships with: Health InfoSite, Inc. and Kforce(R) Inc., both of which provide medical coding services using LanVision's codingANYware(TM), our integrated coding and abstract workflow solution;
- Announced a referral marketing agreement with United Audit Systems, Inc., a national health care consulting and outsourcing firm providing Health Information Management and patient financial services;
- Announced that two valued customers, Memorial Sloane-Kettering Cancer Center and the University of Pittsburgh Medical Center, upgraded and expanded their systems to

LanVision's newest generation product accessANYware(TM), our web-based thin client medical records workflow solution and health information repository;

- LanVision continued to pay down the long term debt amounting to \$2,000,000 during the last 12 months and believes that it will be able to comply with all of the loan covenants through the loan maturity date, and
- Favorably settled three outstanding litigation issues relating to lawsuits that were initiated by LanVision to protect its intellectual property rights, to enforce non-competition covenants and/or to prevent third parties from improperly interfering in LanVision's businesses. Accordingly, we anticipate our legal expenses will be reduced during the remainder of the fiscal year.

Brian Patsy, LanVision's Chairman and Chief Executive Officer, stated, "Our current quarter net earnings was in line with our operating plan. The operating results reflect primarily a decline in net new software licensing revenues due to delayed purchasing decisions, offset to some extent with increased application-hosting revenues, when compared to the prior comparable periods. Because the size of deals and timing of revenue recognition on high margin software licensing significantly affects operating results, the comparability of operating results among fiscal quarters can be skewed. Traditionally, the first two quarters are the most challenging because of the seasonality of software licensing revenues, which LanVision has experienced in the past, with a greater portion of the annual revenues recorded in the later two quarters. The current sales pipeline contains significant new opportunities that we anticipate closing during the remainder of the fiscal year. Our ASPeN(SM) application service provider (ASP) based recurring revenues continue to grow as we expand our distribution and direct sales of our application-hosting services such as codingANYware(TM). Based on our current projections for the second half of the fiscal year, we believe that net new software revenues from the current sales pipeline and ASP hosting services should increase and enable us to continue to be profitable for the remainder of the fiscal year."

Mr. Patsy concluded, "The U. S. Department of Health and Human Services (HSS) has asked the Institute of Medicine to design a standardized model of an electronic health record, in a move that may help accelerate nationwide acceptance of Electronic Medical Records. The tentative date for the completed design is 2004. The impact of such change, if implemented by HSS, on current LanVision products and services is unknown at this time. However, LanVision believes that its software and systems are sufficiently flexible to accommodate quickly any changing regulatory requirements. The changing healthcare regulations and increasing demand for health care productivity improvements, coupled with our expanding distribution channels and product offerings, create significant market opportunities for LanVision. We will continue to invest in the people and technology to ensure that all our products and services lead the market and to meet the growing expectations of the healthcare community."

#### CONFERENCE CALL INFORMATION

In conjunction with LanVision's Second Quarter Fiscal 2003 earnings release, you are invited to listen to its conference call, which will be broadcast live over the Internet on September 9, 2003, at 10:00 a.m. Eastern Time, at [www.lanvision.com](http://www.lanvision.com) and [www.vcall.com](http://www.vcall.com), where you enter the ticker symbol LANV in the vcall search box.

## ABOUT LANVISION SYSTEMS

LanVision is an application service provider (ASP) and leading supplier of workflow and document imaging-based tools, applications and services assist strategic business partners, healthcare organizations and customers in improving operational efficiency through business process re-engineering and automating labor-intensive paper processes. The company's workflow-based services offer solutions to specific healthcare business processes within the revenue cycle, such as remote coding, abstracting and chart completion, remote physician order processing, pre-admission registration scanning, insurance verification, secondary billing services, explanation of benefits processing and release of information processing.

LanVision's products and services create an integrated repository of historical health information that is complementary and can be seamlessly "bolted on" to existing clinical, financial and management information systems, providing convenient electronic access to all forms of patient information from any location, including web-browser based access via the Intranet/Internet. These integrated systems allow providers and administrators to improve dramatically the availability of patient information while decreasing direct costs associated with document retrieval, workflow processing, completion, retention and archiving.

LanVision provides its ASPeN, ASP-based application-hosting services to The University Hospital, a member of The Health Alliance of Greater Cincinnati, and Children's Medical Center of Columbus, among others. In addition, LanVision has installed its workflow and document imaging solutions at leading healthcare providers including Stanford Hospital and Clinics, the Albert Einstein Health Network, Beth Israel Medical Centers, the University of Pittsburgh Medical Center, Medical University Health Authority of South Carolina, and Memorial Sloan-Kettering Cancer Center.

For more information on LanVision and its products, visit the LanVision web site at [www.lanvision.com](http://www.lanvision.com)

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

STATEMENTS MADE BY LANVISION THAT ARE NOT HISTORICAL FACTS ARE FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO RISKS AND UNCERTAINTIES. LANVISION'S FUTURE FINANCIAL PERFORMANCE COULD DIFFER MATERIALLY FROM EXPECTATIONS OF MANAGEMENT AND FROM RESULTS REPORTED NOW OR IN THE PAST. FACTORS THAT COULD CAUSE LANVISION'S FINANCIAL PERFORMANCE TO SO DIFFER INCLUDE, BUT ARE NOT LIMITED TO, THE IMPACT OF COMPETITIVE PRODUCTS AND PRICING, PRODUCT DEVELOPMENT, RELIANCE ON STRATEGIC ALLIANCES, AVAILABILITY OF PRODUCTS PROCURED FROM THIRD PARTY VENDORS, THE HEALTHCARE REGULATORY ENVIRONMENT, FLUCTUATIONS IN OPERATING RESULTS, AND OTHER RISKS DETAILED FROM TIME TO TIME IN LANVISION'S FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION.

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LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended July 31,		Six Months Ended July 31,	
	2003	2002	2003	2002
Revenues:				
Systems sales	\$ 889,963	\$ 1,235,151	\$ 1,512,459	\$ 2,672,505
Services, maintenance and support	1,630,309	1,844,903	3,199,553	3,245,772
Application-hosting services	446,318	192,134	874,560	387,130
Total revenues	2,966,590	3,272,188	5,586,572	6,305,407
Operating expenses:				
Cost of systems sales	443,307	277,703	905,770	643,904
Cost of services, maintenance and support	667,540	819,511	1,330,417	1,537,921
Cost of application-hosting services	214,128	75,680	429,496	142,329
Selling, general and administrative	534,043	906,547	1,478,241	1,750,074
Product research and development	461,013	542,753	1,044,106	1,049,833
Total operating expenses	2,320,031	2,622,194	5,188,030	5,124,061
Operating income	646,559	649,994	398,542	1,181,346
Other income expense:				
Interest income	17,316	27,829	36,350	57,752
Interest expense	(450,279)	(476,191)	(897,088)	(952,197)
Tax benefit	-	-	-	13,000
Net earnings (loss)	\$ 213,596	\$ 201,632	\$ (462,196)	\$ 299,901
Basic net earnings (loss) per common share	\$ 0.02	\$ 0.02	\$ (0.05)	\$ 0.03
Diluted net earnings (loss) per common share	\$ 0.02	\$ 0.02	\$ (0.05)	\$ 0.03
Number of shares used in per common Share computation - basic	8,991,517	8,927,966	8,978,207	8,921,073
Number of shares used in per common Share computation - diluted	9,179,751	9,184,346	8,978,207	9,208,693

LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

	July 31, 2003	July 31, 2002	January 31, 2003
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Assets			
Current assets:			
Cash and cash equivalents (restricted by long-term debt agreement)	\$ 5,734,314	\$ 6,419,816	\$ 7,242,230
Accounts receivable	2,206,102	2,287,319	1,899,767
Contract receivables	2,875,807	2,213,345	3,074,596
Allowance for doubtful accounts	(400,000)	(400,000)	(400,000)
Other	396,533	428,461	326,180
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Total current assets	10,812,756	10,948,941	12,142,773
Property and equipment:			
Computer equipment	2,418,051	2,430,353	2,351,203
Computer software	787,593	730,774	743,204
Office furniture, fixtures and equipment	1,161,551	1,153,934	1,153,934
Leasehold improvements	157,492	131,248	153,549
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	4,524,687	4,446,309	4,401,890
Accumulated depreciation and amortization	(3,426,660)	(3,193,530)	(3,137,943)
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	1,098,027	1,252,779	1,263,947
Capitalized software development costs, net of accumulated			
Amortization of \$2,350,228, \$1,900,228 and \$2,100,228 respectively	1,539,701	1,289,701	1,389,701
Long-term installment receivables	433,339	433,339	433,339
Other	46,691	133,585	107,316
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	\$ 13,930,514	\$ 14,058,345	\$ 15,337,076
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Liabilities, convertible redeemable preferred stock and stockholders' equity			
Current liabilities:			
Accounts payable	\$ 560,709	\$ 427,457	\$ 721,402
Accrued compensation	210,355	441,852	308,658
Accrued other expenses	1,136,134	1,370,095	1,392,157
Deferred revenues	2,137,460	1,536,495	2,220,383
Current portion of capitalized leases	213,004	188,694	206,051
Current portion of long term-debt	2,000,000	2,000,000	2,000,000
Long-term accrued interest currently payable	3,824,020	-	-
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Total current liabilities	10,081,682	5,964,593	6,848,651
Non-current portion of capitalized leases	280,050	465,436	388,320
Long-term debt	-	2,000,000	1,000,000
Long-term accrued interest	-	2,383,521	3,133,369
Convertible redeemable preferred stock, \$0.01 par value per share, 5,000,000 shares authorized	-	-	-
Stockholders' equity:			
Common stock, \$0.01 par value per share, 25,000,000 shares Authorized, 9,009,567 shares 8,945,338 shares and 8,959,004 shares issued, respectively	90,096	89,453	89,590
Capital in excess of par value	34,899,375	34,825,947	34,835,639
Accumulated (deficit)	(31,420,689)	(31,670,605)	(30,958,493)
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Total stockholders' equity	3,568,782	3,244,795	3,966,736
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	\$ 13,930,514	\$ 14,058,345	\$ 15,337,076
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