

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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): March 29, 2005

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.)

10200 Alliance Road, Suite 200, Cincinnati, OH

45242-4716

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (513) 794-7100

5481 Creek Road, Cincinnati, OH 45242-4001

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 29, 2005, LanVision Systems, Inc. ("LanVision") issued the press release attached hereto as Exhibit 99.1, which press release contains financial information about LanVision's fourth fiscal quarter and fiscal year ended January 31, 2005. 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.

Item 9.01 Financial Statements and Exhibits  
(c) Exhibits

EXHIBIT NUMBER	DESCRIPTION
99.1	News Release of LanVision Systems, Inc. dated March 29, 2005 Fourth Quarter and Fiscal Year Earnings news Release

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: March 30, 2005

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 March 29, 2005 Fourth Quarter and Fiscal Year Earnings News Release

LANVISION SYSTEMS, INC.  
News Release of LanVision Systems, Inc. Dated March 29, 2005

NEWS RELEASE

LanVision Systems, Inc.

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

LANVISION SYSTEMS, INC. REPORTS FOURTH QUARTER AND  
FISCAL YEAR 2004 RESULTS

ACHIEVES RECORD QUARTERLY REVENUES, OPERATING PROFIT AND NET EARNINGS

Cincinnati, Ohio, March 29, 2005 --- LanVision Systems, Inc. (Nasdaq: LANV) d/b/a Streamline Health today announced the financial results for the fourth quarter and fiscal year ended January 31, 2005.

Revenues in the fourth quarter of fiscal year 2004 were a record \$5.0 million compared with \$3.6 million in the fourth quarter of fiscal year 2003, an increase of 41%. Operating profits for the fourth quarter were a record \$1.2 million compared with \$970 thousand in the fourth quarter of fiscal year 2003. Net earnings for the quarter were a record \$1.6 million or \$0.18 per share, compared with \$1 million or \$0.11 per share in the fourth quarter of fiscal year 2003.

For the 2004 fiscal year ended January 31, 2005, revenues were \$12.75 million compared with \$12.80 million in fiscal year 2003. Operating profits for the fiscal year were \$936 thousand compared with \$2.4 million in fiscal year 2003. Net earnings for fiscal year 2004 were \$558 thousand or \$0.06 per share compared with \$1.0 million or \$0.11 per share in fiscal year 2003.

J. Brian Patsy, President and Chief Executive Officer, stated, "The first three quarters of 2004 were challenging and below management's expectations. However, we anticipated and achieved a strong fourth quarter and the prospects for 2005 are very encouraging. Our major

reselling partner sold one new system in 2004 compared with four in 2003 and two in 2002, which was well below management's expectations, resulting in a \$1.9 million decline in 2004 software revenues. Notwithstanding the decrease in the number of new 2004 systems sales, the pipeline of opportunities for 2005 and beyond has increased substantially as we expand our sales infrastructure, and we anticipate returning to pre-fiscal year 2004 system sales levels.

We achieved the following milestones in fiscal 2004:

- o Achieved a 34% increase in our highly profitable ASPeNSM application hosting services revenues,
- o Achieved an 8% increase in services maintenance and support revenues,
- o Achieved operating profitability for the fifth consecutive year,
- o Produced a positive cash flow that allowed us to retire our high interest rate debt in fiscal 2004, and secure new debt financing at a very favorable rate, in addition to making \$1.5 million in payments on our new debt during the last half of the fiscal year,
- o Executed re-marketing and referral relationships with new strategic business partners, including the recently announced Medical Coding Services, Inc., and
- o Introduced several new workflow solutions, re-branded our solutions and announced our new marketing name, 'Streamline Health', to focus our product line and sales efforts on the lucrative workflow process reengineering opportunities in the healthcare market place, while maintaining our leadership role in providing comprehensive document management solutions."

Mr. Patsy continued, "Our record fourth quarter revenues primarily resulted from a significant new software sublicense through our remarketing partner, additional software licenses to our existing customers, and a large storage area network hardware upgrade at one of our existing customers. Total fourth quarter revenues also included a 20% increase in services, maintenance and support and an 18% increase in our application hosting revenues. Our costs, with the exception of the cost of system sales which includes the cost of the hardware sale, increased modestly when compared to the prior comparable quarter. The selling, general and administrative expenses in 2004 increased because of increased sales and marketing staff as the company expands to respond to increased inquiries and sales opportunities, additional expenses for tradeshows, marketing collateral and marketing costs associated with the re-branding of the company as 'Streamline Health' in order to focus on new market opportunities involving business process improvement via workflow automation technologies."

Paul W. Bridge, Jr., LanVision's Chief Financial Officer, said, "Operating profits for fiscal year 2004 are not comparable to 2003 in that 2003 was favorably impacted by the reimbursement of approximately \$520 thousand of prior year's legal fees upon settlement of

the LanVision proprietary technology claims. It should however, be noted that during 2004 the operating margins for our highly profitable services, maintenance and support and application hosting lines of business increased to 61% and 64%, respectively, from 59% and 54%, respectively in 2003. As new clients are signed, these margins are anticipated to increase as incremental costs for new clients are not significant.

Also, LanVision recorded a tax benefit of \$420 thousand in 2004 and \$558 thousand in 2003 as a result of a reduction in the valuation allowance, based on future earnings projections before income taxes, on the deferred tax assets relating primarily to the approximately \$29 million tax loss carry forward."

Mr. Bridge concluded, "Our 2005 operating plan is predicated on investing in additional product development and sales and marketing staffs to enhance the current product line and provide the resources necessary to achieve significant revenue growth in the years ahead. Our goal for 2005 is a minimum 25% growth in revenues, which if achieved, should produce an operating profit of approximately \$1 million after the investment in the additional staff necessary to increase and sustain significant year-to-year revenue growth in future years."

Mr. Patsy continued, "Our strategic focus for 2005 will be to make the necessary investments in personal and infrastructure to execute our growth strategy. We will continue to make sound business decisions to significantly expand our workflow solutions set, strengthen our existing product line, enhance and expand our distribution capabilities through our current and new remarketing partners and to enlarge our direct sales and marketing staff to enable us to apply additional resources to revenue opportunities. During the last several years our high interest rate debt service obligations constrained our ability to hire the resources necessary to achieve significant revenue growth. One of our major goals for 2005 and beyond is to make the necessary investments to accelerate revenue growth."

Mr. Patsy concluded, "Our comprehensive workflow and document management technologies and services provide solutions that address and improve inefficient business processes via workflow automation technologies. The Company is prepared for significant expansion into new markets for workflow and document management solutions that address the business process improvement initiatives throughout the hospital enterprise, including Health Information Management, Patient Financial Services, Supply Chain Management and Human Resources. We are very excited about our workflow and document management solutions that 'make information flow' seamlessly throughout healthcare organizations thereby improving operating efficiencies. Our business solutions offer healthcare organizations the tools they need to provide improved productivity, reduced administrative costs, and enhanced patient care."

#### CONFERENCE CALL INFORMATION

The fourth quarter and fiscal year end conference presentation and call will be held at 10:00 a.m. Eastern Time, on Wednesday March 30, 2005. The call will feature remarks from J. Brian Patsy, President and Chief Executive Officer, William A. Geers, Chief Operating Officer, and Paul W. Bridge, Jr., Chief Financial Officer.

To listen to the call please go to [www.streamlinehealth.net](http://www.streamlinehealth.net) or [www.lanvision.com](http://www.lanvision.com) approximately twenty minutes before the conference call is scheduled to begin. You will need to register as well as download and install any necessary audio software. The webcast will be available on the LanVision website for 30 days.

#### ABOUT LANVISION SYSTEMS, INC.

LanVision is a leading supplier of workflow and document management tools, applications and services that assist strategic business partners, healthcare organizations, and customers to create and improve operational efficiencies through business process re-engineering and automating demanding document-intensive environments. The company's workflow-based services offer solutions to inefficient and labor-intensive 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. The solutions also address the workflow needs of the Human Resource and Supply Chain Management departments of the healthcare enterprise. All solutions are available for purchase or through a remote hosting services model that better matches customers' capital or operating budget needs.

The company's solutions create an integrated repository of historical health information that is complementary and can be seamlessly used with existing clinical, financial and administrative information systems, providing convenient electronic access to all forms of patient information from any location, including access using a web-browser through the Intranet/Internet. These integrated systems allow providers and administrators to dramatically improve the availability of patient information while decreasing direct costs associated with document retrieval, work-in-process, chart completion, document retention, and archiving.

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

For additional information please visit our website at <http://www.streamlinehealth.net>.

#### 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. The forward-looking statements contained herein are SUBJECT TO CERTAIN RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE REFLECTED IN THE FORWARD-LOOKING STATEMENTS, INCLUDED HEREIN. THESE RISKS AND UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, THE

IMPACT OF COMPETITIVE PRODUCTS AND PRICING, PRODUCT DEMAND AND MARKET ACCEPTANCE, NEW PRODUCT DEVELOPMENT, KEY STRATEGIC ALLIANCES WITH VENDORS THAT RESELL LANVISION PRODUCTS, THE ABILITY OF THE COMPANY TO CONTROL COSTS, AVAILABILITY OF PRODUCTS PRODUCED FROM THIRD PARTY VENDORS, THE HEALTHCARE REGULATORY ENVIRONMENT, HEALTHCARE INFORMATION SYSTEMS BUDGETS, AVAILABILITY OF HEALTHCARE INFORMATION SYSTEMS TRAINED PERSONNEL FOR IMPLEMENTATION OF NEW SYSTEMS, AS WELL AS MAINTENANCE OF LEGACY SYSTEMS, FLUCTUATIONS IN OPERATING RESULTS AND OTHER RISKS DETAILED FROM TIME TO TIME IN THE LANVISION SYSTEMS, INC. FILINGS WITH THE U. S. SECURITIES AND EXCHANGE COMMISSION. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH REFLECT MANAGEMENT'S ANALYSIS ONLY AS OF THE DATE HEREOF. THE COMPANY UNDERTAKES NO OBLIGATION TO PUBLICLY RELEASE THE RESULTS OF ANY REVISION TO THESE FORWARD-LOOKING STATEMENTS, WHICH MAY BE MADE TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS.

(C)2005 LanVision Systems, Inc., Cincinnati, OH 45242.

LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME

	THREE MONTHS ENDED JANUARY 31,		FISCAL YEAR ENDED JANUARY 31,	
	2005	2004	2005	2004
<b>REVENUES:</b>				
Systems sales	\$ 2,447,525	\$ 1,394,700	\$ 2,965,262	\$ 4,208,755
Services, maintenance and support	1,888,671	1,580,862	7,186,304	6,651,953
Application-hosting services	676,350	574,746	2,599,092	1,942,826
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Total revenues	5,012,546	3,550,308	12,750,658	12,803,534
<b>OPERATING EXPENSES:</b>				
Cost of systems sales	1,514,001	411,482	2,331,176	1,584,955
Cost of services, maintenance and support	737,173	672,875	2,804,202	2,752,500
Cost of application-hosting services	248,864	230,228	916,737	900,287
Selling, general and administrative	822,680	765,870	3,701,443	3,158,239
Product research and development	509,687	499,872	2,061,207	2,053,901
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Total operating expenses	3,832,405	2,580,327	11,814,765	10,449,882
<b>OPERATING PROFIT</b>				
	1,180,141	969,981	935,893	2,353,652
Other income (expense):				
Interest income	14,218	14,241	70,344	61,443
Interest expense	(52,644)	(461,513)	(904,314)	(1,852,926)
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Earnings before income taxes	1,141,715	522,709	101,923	562,169
Income tax benefit (provision)	455,753	476,997	455,753	456,997
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<b>NET EARNINGS</b>	<b>\$ 1,597,468</b>	<b>\$ 999,706</b>	<b>\$ 557,676</b>	<b>\$ 1,019,166</b>
	=====	=====	=====	=====
Basic net earnings per common share	\$ 0.18	\$ 0.11	\$ 0.06	\$ 0.11
	=====	=====	=====	=====
Diluted net earnings per common share	\$ 0.17	\$ 0.11	\$ 0.06	\$ 0.11
	=====	=====	=====	=====
Number of shares used in per common share computations - basic net earnings	9,084,477	9,018,784	9,067,816	8,996,734
	=====	=====	=====	=====
Number of shares used in per common share computations - diluted net earnings	9,291,812	9,253,985	9,233,320	9,207,241
	=====	=====	=====	=====



LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS	JANUARY 31,	
	2005	2004
Current assets:		
Cash and cash equivalents	\$ 4,181,073	\$ 6,227,236
Accounts receivable, net of allowance for doubtful accounts of \$200,000 and \$400,000, respectively	1,901,846	2,386,723
Contract receivables	1,404,364	2,972,356
Other	686,116	357,921
Total current assets	8,173,399	11,944,236
Property and equipment:		
Computer equipment	1,501,796	2,588,749
Computer software	832,304	812,591
Office furniture, fixtures and equipment	537,137	1,166,377
Leasehold improvements	37,504	157,492
	2,908,741	4,725,209
Accumulated depreciation and amortization	(1,996,129)	(3,672,442)
	912,612	1,052,767
Capitalized software development costs, net of accumulated amortization of \$3,233,228 and \$2,600,228, respectively	2,056,701	1,689,701
Other	850,523	603,750
	\$ 11,993,235	\$ 15,290,454
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 886,090	\$ 637,222
Accrued compensation	276,292	265,095
Accrued other expenses	719,135	928,097
Deferred revenues	2,231,442	2,357,531
Current portion of capitalized leases	168,121	220,199
Current portion of long-term debt	--	1,000,000
Accrued interest on long-term debt	--	4,635,169
Total current liabilities	4,281,080	10,043,313
Capitalized leases	--	168,121
Long-term debt	2,000,000	--
Stockholders' equity:		
Convertible redeemable preferred stock, \$0.01 par value per share, 5,000,000 shares authorized, no shares issued	--	--
Common stock, \$0.01 par value per share, 25,000,000 shares authorized, 9,084,535 and 9,030,032 shares issued, respectively	90,845	90,300
Capital in excess of par value	35,002,961	34,928,047
Accumulated (deficit)	(29,381,651)	(29,939,327)
Total stockholders' equity	5,712,155	5,079,020
	\$ 11,993,235	\$ 15,290,454
	=====	=====