

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): September 7, 2004

LanVision Systems, Inc.

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(Exact name of registrant as specified in its charter)

Delaware	0-28132	31-1455414
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(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)		(Zip Code)
Registrant's telephone number, including area code		(513) 794-7100
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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 September 7, 2004, LanVision Systems, Inc. ("LanVision") issued the press release attached hereto as Exhibit 99.1, which press release contains financial information about LanVision's second fiscal quarter ended July 31, 2004. 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 7, 2004

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 7, 2004 Second Quarter Earnings News Release

Exhibit 99.1

LANVISION SYSTEMS, INC.  
News Release of LanVision Systems, Inc. Dated September 7, 2004

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

LANVISION SYSTEMS REPORTS SECOND QUARTER FISCAL 2004 RESULTS

Cincinnati, Ohio, September 7, 2004 --- LanVision Systems, Inc. (NASDAQ: LANV) today announced the financial results for the second quarter and first six months ended July 31, 2004.

Revenues for the second quarter were \$2,558,295 compared with \$2,966,590 reported in the second quarter of last year. The operating loss for the second quarter of fiscal 2004 was (\$83,922), compared with operating income of \$646,559 in the second quarter of fiscal 2003. The net loss for the quarter was (\$462,328), or (\$0.05) per basic and diluted common share, compared with net earnings of \$213,596, or \$0.02 per basic and diluted common share in the second quarter of fiscal 2003.

Revenues for the first six months were \$5,199,850, compared with \$5,586,572 reported in the first six months of last year. The operating loss for the first six months of fiscal 2004 was (\$125,639) compared with operating income of \$398,542 in the comparable prior period. The net loss for the first six months was (\$883,391), or (\$0.10) per basic and diluted common share, compared with net loss of (\$462,196), or (\$0.05) per basic and diluted common share in the first six months of last year.

Second Quarter Highlights included:

payment of the high interest rate 1998 long-term debt and the related accrued and unpaid interest at maturity on July 30, 2004, and replacement of this debt with a \$3.5 million working capital term loan, at Prime plus 2% (6.50%) payable in annual installments over three years,

the successful pilot of LanVision's codingANYware at the Charleston Naval Hospital, and FORTUNE Small Business Magazine named LanVision as one of America's 100 fastest-growing small companies in America in its fourth annual ranking.

Brian Patsy, LanVision's Chairman and Chief Executive Officer, stated, "Our current quarter and first six months operations followed our traditional cyclical pattern, with a greater portion of our annual licensing revenues recorded in our later two quarters. The quarterly operating results reflect primarily a decline in high margin add-on software licensing revenues to existing customers and the delayed purchasing decisions on new customer sales, offset to some extent with increased application-hosting revenues, when compared to the prior comparable period. Because the size of deals and the timing of revenue recognition on software licensing significantly affects operating results, the comparability of operating results among fiscal quarters can be skewed. The current sales pipeline continues to contain 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 the 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. The anticipated increase in new software licensing and ASP hosting revenues combined with lower interest as a result of refinancing our debt at a significantly more favorable rate should enable us to be profitable in the remaining two quarters."

Regarding the current sales pipeline for the second half of the year, Mr. Patsy further commented, "We have a robust sales pipeline of direct and indirect opportunities that we anticipate will close in the second half of our fiscal year, including several large government sector codingANYware remote hosting opportunities. In addition, we will be rolling out an important new entry level document management solution for Emergency Departments (EDView(TM)) in September through a joint distribution arrangement with Iron Mountain Incorporated (NYSE: IRM). We anticipate piloting EDView at 2 or 3 mutual customer sites soon."

Mr. Patsy continued, "As noted in our announcement of the retirement of our high interest rate debt, based on the anticipated prime rate and outstanding loan balance during the second half of the current fiscal year, the anticipated interest expense will be \$109,600 compared with \$955,800 in the second half of the prior fiscal year or a reduction in interest expense of \$846,200, or approximately \$0.09 per share, pre tax, for the second half of the current fiscal year. For the next fiscal year (2005), the annual interest expense is anticipated to be approximately \$148,000 compared with \$908,000 anticipated for the current fiscal-year (2004), or a reduction of approximately \$760,000 in interest expense."

Mr. Patsy Concluded, "We believe that we are on course to achieve improved operating results in the final six months of the current fiscal year."

#### CONFERENCE CALL INFORMATION

In conjunction with LanVision's Second Quarter Fiscal 2004 earnings release, you are invited to listen to its conference call, which will be broadcast live over the Internet on September 8, 2004, at 10:00 a.m. Eastern Time, at <http://www.lanvision.com>.

#### ABOUT LANVISION SYSTEMS

LanVision is a healthcare information technology company focused on digitally streamlining healthcare by providing solutions that improve document-centric information flows while complementing and enhancing existing transaction-centric healthcare information systems. The Company's workflow and document management solutions bridge the gap between current, inefficient paper-based processes and transaction-based healthcare information systems by 1) electronically capturing document-centric information from disparate sources, 2) electronically directing that information through vital business processes, and 3) providing access to the information for authenticated users (such as physicians, nurses, administrative and financial personnel and payers) across the continuum of care.

The company's workflow-based products and services offer unique solutions to specific healthcare business processes within the Medical Record life cycle and the revenue cycle, such as remote coding, abstracting and chart completion, remote physician order processing, pre-admission registration scanning, insurance verification, financial screening, secondary billing services, explanation of benefits processing and release of information processing.

LanVision's products and services also create an integrated document-centric repository of historical health information that is complementary and can be seamlessly "bolted on" to existing transaction-centric clinical, financial and management information systems, allowing healthcare providers to aggressively move toward fully Electronic Medical Record (EMR) processes while improving service levels and convenience for all stakeholders. 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.

LanVision's systems can be provided on a subscription basis via remote hosting services or installed locally. LanVision provides ASPEN, ASP-based remote hosting services to The University Hospital, a member of The Health Alliance of Greater Cincinnati, M. D. Anderson Cancer Center and Children's Medical Center of Columbus, Ohio among others. In addition, LanVision has installed its workflow and document management solutions at leading healthcare providers including Stanford Hospital and Clinics, the Albert Einstein Healthcare Network, Parkview Health System, ProMedica Health System, Inc., the University of Pittsburgh Medical Center, Medical University Hospital Authority of South Carolina, and Memorial Sloan-Kettering Cancer Center.

For additional information on LanVision, please visit our website at <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.

(C)2004 LanVision Systems, Inc., Cincinnati, OH 45242.

LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended July 31,		Six Months Ended July 31,	
	2004	2003	2004	2003
Revenues:				
Systems sales	\$ 165,467	\$ 889,963	\$ 452,350	\$ 1,512,459
Services, maintenance and support	1,755,512	1,630,309	3,477,170	3,199,553
Application-hosting services	637,316	446,318	1,270,330	874,560
Total revenues	<u>2,558,295</u>	<u>2,966,590</u>	<u>5,199,850</u>	<u>5,586,572</u>
Operating expenses:				
Cost of systems sales	241,238	443,307	600,150	905,770
Cost of services, maintenance and support	711,236	667,540	1,391,481	1,330,417
Cost of application-hosting services	221,147	214,128	437,795	429,496
Selling, general and administrative	924,805	534,043	1,838,273	1,478,241
Product research and development	543,791	461,013	1,057,790	1,044,106
Total operating expenses	<u>2,642,217</u>	<u>2,320,031</u>	<u>5,325,489</u>	<u>5,188,030</u>
Operating income (loss)	(83,922)	646,559	(125,639)	398,542
Other income expense:				
Interest income	15,091	17,316	39,194	36,350
Interest expense	(393,497)	(450,279)	(796,946)	(897,088)
Net earnings (loss)	<u>\$ (462,328)</u>	<u>\$ 213,596</u>	<u>\$ (883,391)</u>	<u>\$ (462,196)</u>
Basic net earnings (loss) per common share	<u>\$ (0.05)</u>	<u>\$ 0.02</u>	<u>\$ (0.10)</u>	<u>\$ (0.05)</u>
Diluted net earnings (loss) per common share	<u>\$ (0.05)</u>	<u>\$ 0.02</u>	<u>\$ (0.10)</u>	<u>\$ (0.05)</u>
Number of shares used in per common Share computation - basic	<u>9,067,700</u>	<u>8,991,517</u>	<u>9,051,973</u>	<u>8,978,207</u>
Number of shares used in per common Share computation - diluted	<u>9,067,700</u>	<u>9,179,751</u>	<u>9,051,973</u>	<u>8,978,207</u>

LANVISION SYSTEMS, INC. AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

Assets	July 31, 2004	July 31, 2003	January 31, 2004
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<b>Current assets:</b>			
Cash and cash equivalents (restricted by long-term debt agreement)	\$ 4,538,655	\$ 5,734,314	\$ 6,227,236
Accounts receivable	1,436,999	2,206,102	2,786,723
Contract receivables	1,826,147	2,875,807	2,972,356
Allowance for doubtful accounts	(400,000)	(400,000)	(400,000)
Other	424,361	396,533	357,921
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Total current assets	7,826,162	10,812,756	11,944,236
<b>Property and equipment:</b>			
Computer equipment	2,660,267	2,418,051	2,588,749
Computer software	947,654	787,593	812,591
Office furniture, fixtures and equipment	1,167,497	1,161,551	1,166,377
Leasehold improvements	157,492	157,492	157,492
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	4,932,910	4,524,687	4,725,209
Accumulated depreciation and amortization	(3,941,069)	(3,426,660)	(3,672,442)
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	991,841	1,098,027	1,052,767
Capitalized software development costs, net of accumulated Amortization of \$2,916,728, \$2,350,228 and \$2,600,228 respectively	1,873,201	1,539,701	1,689,701
Installment receivables	--	433,339	--
Other, primarily Deferred Federal Tax asset	633,036	46,691	603,750
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	\$ 11,324,240	\$ 13,930,514	\$ 15,290,454
	=====	=====	=====
<b>Liabilities, convertible redeemable preferred stock and stockholders' equity</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 294,021	\$ 560,709	\$ 637,222
Accrued compensation	253,537	210,355	265,095
Accrued other expenses	626,451	1,136,134	928,097
Deferred revenues	2,102,374	2,137,460	2,357,531
Current portion of capitalized leases	227,644	213,004	220,199
Current portion of long term-debt	1,166,667	2,000,000	1,000,000
Long-term accrued interest payable	--	3,824,020	4,635,169
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Total current liabilities	4,670,694	10,081,682	10,043,313
Non-current portion of capitalized leases	52,406	280,050	168,121
Non-current portion of long-term debt	2,333,333	--	--
<b>Stockholders' equity:</b>			
Convertible redeemable preferred stock, \$0.01 par value per share, 5,000,000 shares authorized	--	--	--
Common stock, \$0.01 par value per share, 25,000,000 shares Authorized, 9,081,701 shares, 9,009,567 shares and 9,030,032 shares issued, respectively	90,817	90,096	90,300
Capital in excess of par value	34,999,709	34,899,375	34,928,047
Accumulated (deficit)	(30,822,719)	(31,420,689)	(29,939,327)
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Total stockholders' equity	4,267,807	3,568,782	5,079,020
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	\$ 11,324,240	\$ 13,930,514	\$ 15,290,454
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