

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): May 24, 2004

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

(Address of principal executive offices)

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

Item 12: RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On May 24, 2004, LanVision Systems, Inc. ("LanVision") issued the press release attached hereto as Exhibit 99.1, which press release contains financial information about LanVision's first fiscal quarter ended April 30, 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: May 24, 2004

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

Paul W. Bridge, Jr.
Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description of Exhibit
99.1	News Release of LanVision Systems, Inc. Dated May 24, 2004 First Quarter Earnings News Release

LANVISION SYSTEMS, INC.
News Release of LanVision Systems, Inc. Dated May 24, 2004

NEWS RELEASE
Visit our web site at: www.lanvision.com

COMPANY CONTACT:
PAUL W. BRIDGE, JR.
CHIEF FINANCIAL OFFICER
(513) 794-7100

FOR IMMEDIATE RELEASE

LANVISION SYSTEMS, INC. REPORTS FIRST QUARTER 2004 RESULTS

Cincinnati, Ohio, May 24, 2004 --- LanVision Systems, Inc. (Nasdaq: LANV) today announced the operating results for the first quarter ended April 30, 2004.

Revenues for the first quarter ended April 30, 2004 were \$2.64 million, which was approximately the same as the first quarter of last year. A decline in systems sales over the prior comparable quarter was offset by a 48% increase in ASPeN(SM) application-hosting revenues and a 10% increase services maintenance and support revenues of \$205,000 and \$152,000, respectively. The operating loss for the first quarter improved by 83% to \$42,000, compared with an operating loss of \$248,000 in the first quarter of last year. The net loss for the first quarter improved by 38% to \$421,000, or \$0.05 per basic and diluted share, when compared with a net loss of \$675,800, or \$0.07 per basic and diluted share in the first quarter of last year. Both the operating results and net loss were in line with management's expectations.

J. Brian Patsy, president and chief executive officer, stated, "Traditionally, our annual revenues are back-end loaded and our first quarter is the most challenging of the year. We believe fiscal 2004 will follow this same historical pattern. Although first quarter's revenues were affected by delays in signing anticipated new perpetual license contracts, we continue to anticipate annual revenue growth with increasing operating margins from our very profitable ASPeN application-hosting services. In addition, demand for Medical Record Workflow technologies and healthcare information access systems is growing and our strategic distribution partners are providing an increasing number of sales leads and opportunities."

"During our first quarter", Mr. Patsy continued, "we successfully implemented and put into production our accessANYware(TM) suite of medical record and patient financial services

workflows at Pattie A. Clay Regional Medical Center via our remote ASPeN hosting center. Now that we have a very satisfied, showcase hospital in the small to medium-sized segment of the healthcare market, we intend to aggressively promote our success to take advantage of what we believe are substantial opportunities to provide affordable workflow and document management application hosting services to similarly sized healthcare organizations. In addition, during our first quarter we also completed implementation and put into production our codingANYware(TM) solution at a federal government military facility. We are excited about the market potential to expand our services throughout other federal government facilities via our remote ASPeN hosting center."

Mr. Patsy concluded, "We continue to closely monitor our expenses, which has enabled us to maintain our services, maintenance and support gross margin in the 60% range and enabled us to almost double our application-hosting margin contribution to \$416,000 or a 66% gross margin, when compared to the prior comparable period. The addition of new application-hosting clients generate increasing margins as new clients do not require corresponding increases in operating expenses as the current system is capable of handling additional volume without major increases in capital assets. Finally, over the last 12 months, we have reduced our long-term debt by \$2,000,000, and made a discretionary \$1,500,000 payment on the deferred interest in the first quarter of the current year. We continue our efforts to improve both our profitability and our balance sheet. Our cash balance of \$4,511,000 is only \$610,000 less than a year ago notwithstanding that our debt has been significantly reduced during that period. We anticipate refinancing in the range of \$3,000,000 of accrued and unpaid interest on our long term debt on schedule in July 2004, at a significantly lower interest rate than the current debt."

CONFERENCE CALL INFORMATION

The first quarter conference call will be held at 10:00 a.m. Eastern Time, on Tuesday May 25, 2004. The call will feature remarks from J. Brian Patsy, President and Chief Executive Officer, and Paul W. Bridge, Jr., Chief Financial Officer.

To access the call, dial 703-464-5641 approximately five minutes prior to the start of the call. To access the call via the webcast, go to www.lanvision.com before the call is scheduled to begin. The webcast will also be available on our web site for the 90 days.

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, denial management, 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 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, 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 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. 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.

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TABLES FOLLOW

LANVISION SYSTEMS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

UNAUDITED

Three Months Ended
April 30,

	2004	2003
	-----	-----
Revenues:		
Systems sales	\$ 286,883	\$ 622,496
Services, maintenance and support	1,721,658	1,569,244
Application-hosting services	633,014	428,242
	-----	-----
Total revenues	2,641,555	2,619,982
Operating expenses:		
Cost of systems sales	358,912	462,463
Cost of services, maintenance and support	680,245	662,877
Cost of application-hosting services	216,648	215,368
Selling, general and administrative	913,468	944,198
Product research and development	513,999	583,093
	-----	-----
Total operating expenses	2,683,272	2,867,999
	-----	-----
Operating (loss)	(41,717)	(248,017)
Other income (expense):		
Interest income	24,102	19,034
Interest (expense)	(403,449)	(446,809)
	-----	-----
(Loss) before income taxes	(421,064)	(675,792)
Income tax provision (benefit)	-	-
	=====	=====
Net (loss)	\$ (421,064)	\$ (675,792)
	=====	=====
Basic net (loss) per common share	\$ (0.05)	\$ (0.07)
	=====	=====
Diluted net (loss) per common share	\$ (0.05)	\$ (0.07)
	=====	=====
Number of shares used in basic per common share computation	9,035,897	8,964,449
	=====	=====
Number of shares used in diluted per common share computation	9,035,897	8,964,449
	=====	=====

LANVISION SYSTEMS, INC. AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

UNAUDITED	April 30,	
Assets	2004	2003
-----	----	----
Current assets:		
Cash and cash equivalents (restricted by long-term debt agreement)	\$ 4,511,161	\$ 5,121,274
Accounts receivable, net of allowance for doubtful accounts of \$400,000, respectively	1,864,025	1,562,504
Unbilled receivables	1,821,384	3,408,451
Other	351,913	330,689
	-----	-----
Total current assets	8,548,483	10,422,918
Property and equipment:		
Computer equipment	2,623,435	2,371,688
Computer software	866,430	760,827
Office furniture, fixtures and equipment	1,167,497	1,154,795
Leasehold improvements	157,492	157,227
	-----	-----
	4,814,854	4,444,537
Accumulated depreciation and amortization	(3,803,357)	(3,280,316)
	-----	-----
	1,011,497	1,164,221
Capitalized software development costs, net of accumulated amortization of \$2,758,478 and \$2,225,228, respectively		
	1,781,451	1,464,701
Installment receivables	--	433,339
Other, including deferred federal tax assets	624,300	48,598
	-----	-----
	\$ 11,965,731	\$ 13,533,777
	=====	=====
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 241,522	\$ 550,475
Accrued compensation	230,752	239,936
Accrued other expenses	782,404	1,274,691
Deferred revenues	1,690,746	1,646,928
Current portion of capitalized leases	223,890	209,498
Current portion of long-term debt	500,000	2,000,000
Long-term debt deferred interest	3,491,176	--
	-----	-----
Total current liabilities	7,160,490	5,921,528
Non-current portion of capitalized leases	110,745	334,634
Long-term debt	--	500,000
Long-term debt deferred interest	--	3,470,290
Stockholders' equity:		
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, 9,060,233 and 8,977,670 shares issued, respectively	90,602	89,777
Capital in excess of par value	34,964,286	34,851,833
Accumulated (deficit)	(30,360,392)	(31,634,285)
	-----	-----
Total stockholders' equity	4,694,496	3,307,325
	-----	-----
	\$ 11,965,731	\$ 13,533,777
	=====	=====

