



SHL Telemedicine Q1 2010 Results 11 May 2010

Conference Call, 11.30am CEST - Dial-in numbers :
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SHL at a glance

Facts

- Leading provider of technologically advanced telemedicine services and solutions
- The services and solutions improve quality of life for our subscribers and enable cost savings for the health services community
- Focus on cardiovascular and related diseases, i.e.:
 - ECG monitoring (Israel and Germany, to be followed by UK)
 - Congestive Heart Failure (Germany)
- Technological innovation; ongoing development of IT based services and solutions
- Active in Israel, Germany and USA
- Incorporated in 1987, listed on the Swiss Stock Exchange (Zurich)

Figures

- Over 20 years of experience
- Global long-term subscriber base
 - Over 80,000 subscribers
 - Average age of ~ 66(*)
 - Average time on service ~ 8(*) years
 - Over 400 thousand calls conducted in 2009 in Israel and Germany
 - Over 1.5 million telemedicine device transmissions received in 2009



* excluding German subscribers

SHL's current business lines

	B2C model	B2B model
Trends	Aging population, cost pressure, consumerism	
Platforms	Medical monitoring center, proprietary IT systems	
Countries	Israel Market entry in Germany / UK	Germany
Services	ECG monitoring; consulting / reassuring	Monitoring of patients with Congestive Heart Failure
Models / clients	Private pay / out of pocket	Health insurers / reimbursement
Main Benefits	Save lives, peace of mind	Cost saving, stabilizing condition
Market / growth	Israel: mature / single digit Other: early stage / double digit	Early stage / double digit

Q1 2010 Highlights

Business

Implementing expansion strategy :

- Commencement of marketing activities in the German consumer market – significant investments being made in sales and marketing as planned
- UK to be next market for SHL's cardiac emergency service for consumers
- Israeli operations continuing to perform well

Financial

Good financial results for Q1 2010:

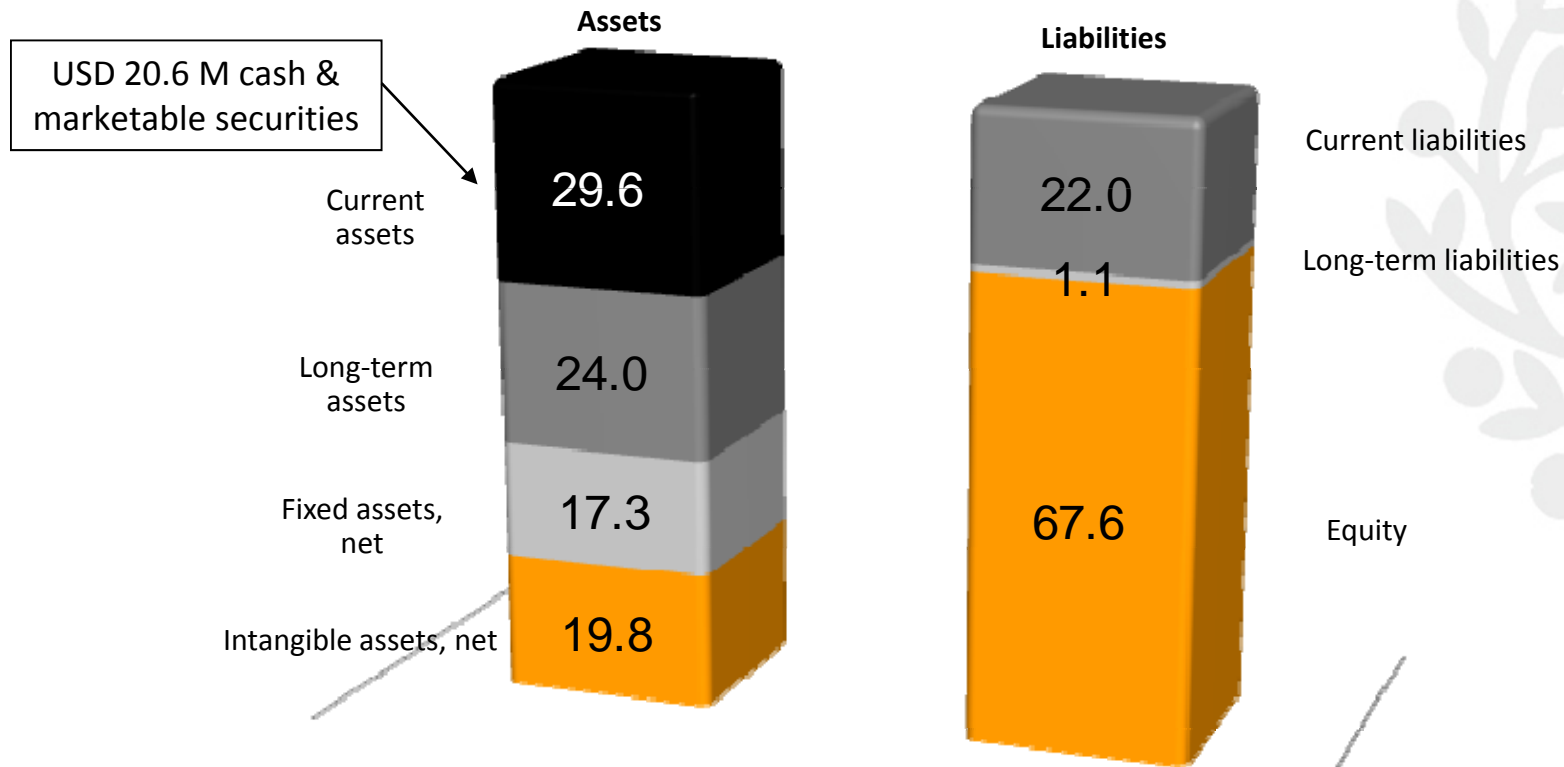
- Revenues of USD 12.4 M (USD 13.2 M at constant exchange rates, up 9.1% over Q1 2009)
- EBITDA of USD 3.1 million (25.0% of revenues) up 19.2% from Q1 2009
- EBIT of USD 1.7 M (13.7% of revenues) up 13.3% from Q1 2009
- Net income of USD 1.6 M (12.9% of revenues)
- Operating cash flow of USD 0.6 M compared to 0.2M in Q1 2009

Q1 results P&L

USD millions	Q1 2010	Q1 2009	% change	Q1 2010 (constant currency)	Q1 2009 (constant currency)	% change (constant currency)
Revenues	12.4	10.7	15.9%	13.2	12.1	9.1%
COGS	4.3	3.6	19.4%	4.5	4.2	7.1%
Gross Profit	8.1	7.1	14.1%	8.7	7.9	10.1%
% of revenues	65.3%	66.4%		65.9%	65.3%	
Operating expenses	6.4	5.6	14.3%	6.8	6.4	6.2%
EBIT	1.7	1.5	13.3%	1.9	1.5	26.7%
% of revenues	13.7%	14.0%		14.4%	12.4%	
EBITDA	3.1	2.6	19.2%	3.4	2.7	25.9%
% of revenues	25.0%	24.3%		25.8%	22.3%	
Financial & other income	(0.2)	(0.4)	<i>n.a.</i>	(0.3)	(0.4)	<i>n.a.</i>
Taxes on income	0.3	0.7	(57.1%)	0.4	0.7	(42.9%)
Net income	1.6	1.2	33.3%	1.8	1.2	50.0%
EPS	0.15	0.12	25.0%	0.17	0.12	41.7%

Constant currency exchange rates - In order to enable meaningful comparison between the 2010 and 2009 results, 2010 and 2009 results are also presented at constant currency exchange rates. These are calculated by translating the 2010 results using the average exchange rates used for calculating the 2009 constant currency results (Q1 08) instead of the current period exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuations in NIS/USD/Euro exchange rates.

Q1 2010 balance sheet

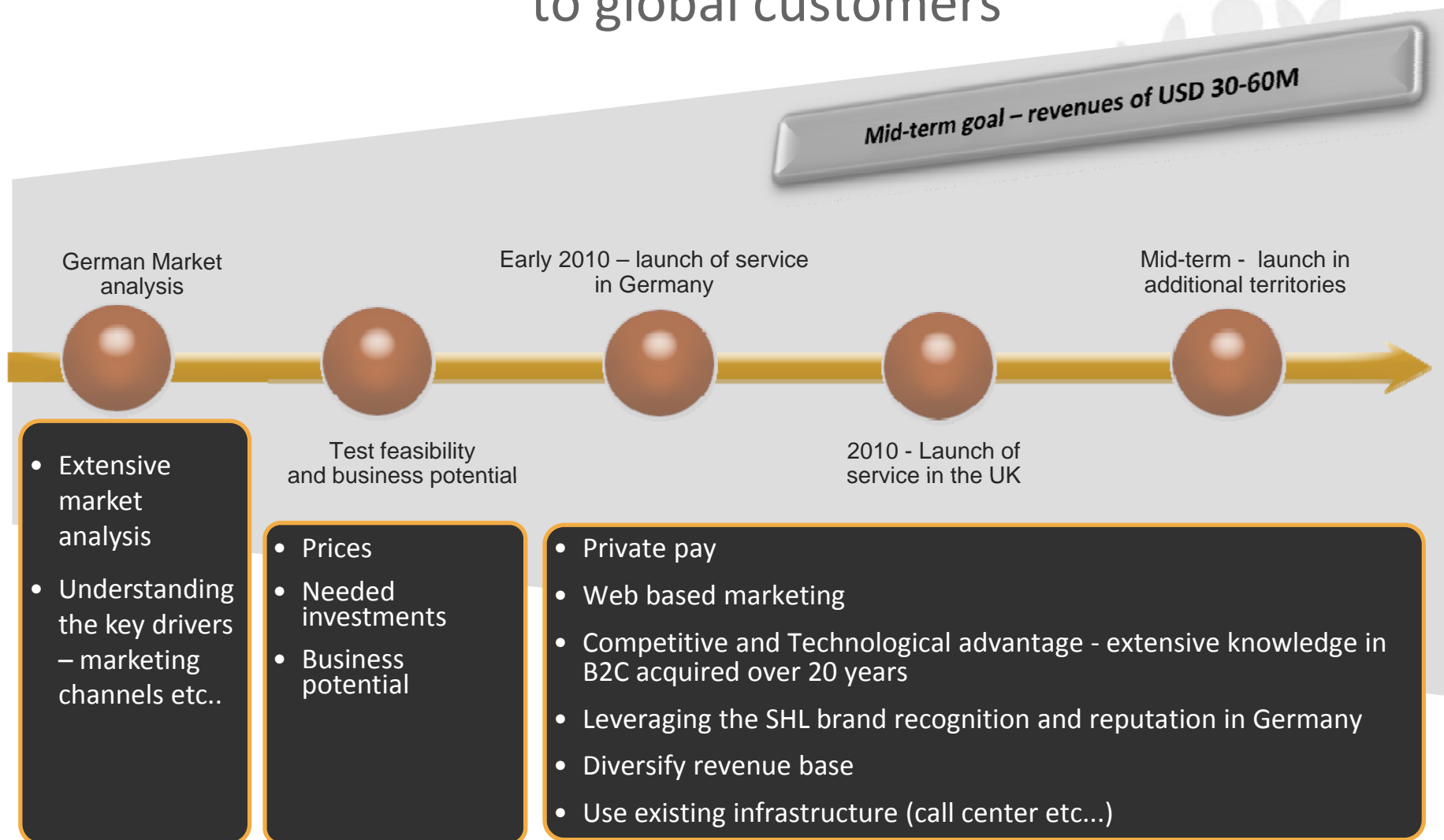


In USD million per 31 March 2010

Q1 2010 cash flow statement

USD millions	Q1 2010	Q1 2009
Cash provided by Operating activities	0.6	0.2
Cash used in Investing activities (ex. Marketable securities)	(1.5)	(1.5)
Cash provided by financing activities	1.5	0.3
Effect of exchange rate changes	(0.1)	(1.7)
Increase (decrease) in cash, cash equivalents & marketable securities	0.5	(2.7)
Cash, cash equivalents & marketable securities at beginning of period	20.1	23.5
Cash, cash equivalents & marketable securities at end of period	20.6	20.8

Introducing our main consumer service, the Cardiac Emergency Service to global customers



Why entering the UK market

CVD market overview

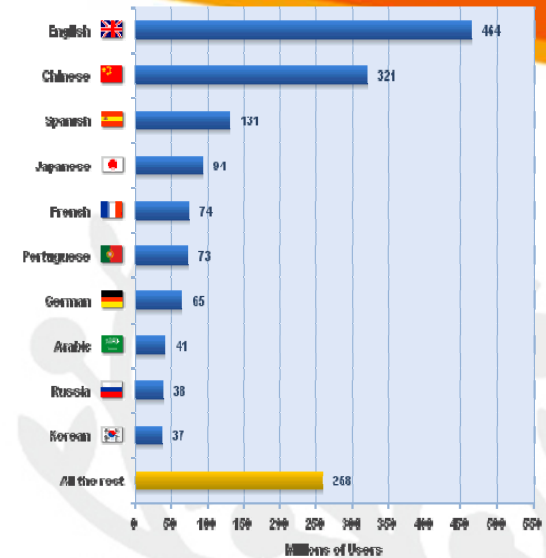
- UK Population: ~ 62M
- Around 2.5 million people are living with heart disease in the UK
- CVD is the main cause of death in the UK. It is responsible for 38% of all deaths.
- About half of all deaths from CVD in the UK are from CHD and about a quarter are from stroke.
- Collectively, heart and circulatory diseases cause more than 1 in 3 of all deaths in the UK, accounting for around 200,000 deaths each year.
- Heart disease is the most common cause of premature death in the UK (death before the age of 75).

Source: British Heart Foundation (BHF) Website: www.bhf.org.uk

High Internet acceptance

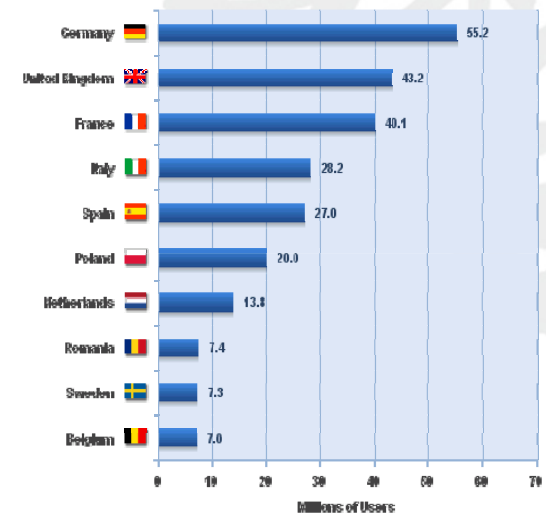
- English → the #1 language used on the internet
- Internet Penetration in the UK is more than 70% (more than 43M Internet Users)
- UK Internet users account for over 11 % of EU Internet Users
- The UK has the most active online population in Europe, with the highest average number of daily visitors (21.8m), the highest usage days per month (21 per user), and the highest average time spent per month per user (34.4 hours). [Source: comScore via Econsultancy blog, June 2007]
- The over 50s represent 30% of total time spent online. [Source: IAB UK, 2008]

Top 10 Languages in the Internet
millions of users



Source: Internet World Stats - www.internetworldstats.com/stats7.htm
Estimated Internet users are 1,568,271,108 for 2009Q1
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European Union - Top 10 Internet Countries



Source: Internet World Stats - www.internetworldstats.com
2009 Q1 - Estimated EU Internet Users for December 2008
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Business



- Economic outlook expected to increase pressure on health insurers for operational efficiency
- Continuing growth in Germany, ongoing consolidation amongst health insurers affecting sales cycles
- Stable business in Israel
- Introduction of B2C in Germany and in the UK
- Introduction of new services to health insurers in Germany

Financial



- Assuming constant exchange rates :
 - Revenues of USD 53-55 M
 - Net income of USD 4-6 M



Appendix



Investor information

- IR Agenda
 - June 8 Investor Day Dusseldorf
 - July 29 AGM
 - August 4 Q2 Results
 - November 10 Q3 Results
- 10,509,479 registered shares with a par value of NIS 0.01 each
- Listed at SIX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957
- Market price high/low (CHF) in 2010 7.49/6.25
- Market capitalization high/low (CHF million) in 2010 80.6/67.3
- Market capitalization 31.03.10 (CHF million) 80.2
- No voting restrictions