



Press release

AOK Bayern and SHL announce launch of advanced COPD telemedicine solution

- **Largest ever COPD telemedicine program in Europe**
- **AOK BAYERN, with over 4.3 M insured, is one of the largest health insurers in Germany**
- **Program to include thousands of patients with severe COPD, benefiting from improved quality of care and wellbeing**
- **A transforming event for SHL's German business – expected to significantly improve overall financial performance**

Tel Aviv/Zurich, 17 October 2012 - SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN), a leading provider and developer of advanced personal telemedicine solutions, announced today that the agreement with AOK BAYERN has been approved by the Oberversicherungsamt (relevant Bavarian authority), following its signing announced on September 14, 2012. Recruitment to the program is to commence.

SHL is to provide, for a 5 year term, telemedicine services to those insured who suffer from severe COPD (Chronic Obstructive Pulmonary Disease), a life-threatening lung disease, which interferes with normal breathing and is very costly to treat.

Based on data published by the "European COPD Coalition", 4%-10% of European adults suffer from COPD. As a first step, included in the program will be those who are diagnosed as severe COPD patients, i.e. have a severe limitation of airflow and are likely to have exacerbations, a COPD acute event normally leading to hospitalization. Recruitment of these patients will start immediately and will be an ongoing process. Participation will not involve any additional costs for the patients.

Severe COPD may prevent a person from doing even basic activities like walking, cooking, or taking care of oneself. AOK BAYERN, one of the largest health insurers in Germany with over 4.3 million insured, is implementing, for a first time, a Germany wide COPD program aimed at improving the quality of care provided to these severe chronic patients.

AOK BAYERN has chosen SHL's telemedicine solution as the enabler of a new structure of care through a modelvorhaben. A user-friendly home monitoring system is installed at the patient's home, which includes several medical monitoring devices and a home-based communication unit. This integrated system enables the seamless transmission of medical data to SHL's medical monitoring center, where ongoing monitoring and review of the data takes place. When the data transmitted exceeds predetermined thresholds the system triggers an alert. The medical call center responds to the alert and applies computer-aided protocols to instruct the patient step-by-step on how to stabilize his condition. Apart from monitoring medical data the SHL program also incorporates the equally important factors of patient training, education and compliance with treatment



guidelines. The treating physicians, both GPs and Pneumologists, are informed about changes in the patient's condition including through online access to the advanced SHL Medical Record On Line system. In severe cases the treating physician will also be able to receive real time notifications regarding the patient's condition.

The enhanced compliance to the medical treatment and ongoing care is expected to decrease the onset of exacerbations leading to improved quality of life, peace of mind and a decrease in hospital admissions and hospitalizations. It is estimated that in Germany a severe COPD patient costs over € 10 thousand per annum, of which SHL expects to reduce 30% to 50% of the costs. Payment to SHL is based on the evaluation of economic success as monitored by an independent audit. First evaluation is to be performed during Q4 2013.

"Our vision is to implement high quality care programs combined with state of the art technological solutions that will enable us, as the largest insurer in Bayern, to provide enhanced quality of care and improved quality of life for our insured and at the same time provide the treating physician better tools to treat the AOK Bayern insured. We believe, based on the thorough process conducted, that SHL has the knowledge and expertise to assist us in caring for the special needs of these severe chronic patients" noted Dr. Helmut Platzer, CEO of AOK BAYERN.

"We are very proud to have secured this contract following a highly professional process conducted by the largest AOK in Germany. This is the biggest multi-year COPD program in Europe and it is expected to have a significant financial contribution to SHL in the coming years" added Yariv Alroy, Co-CEO.

About COPD

COPD, or chronic obstructive pulmonary disease, is a life-threatening lung disease that interferes with normal breathing.

It is a progressive disease that makes it hard to breathe and gets worse over time and cause coughing that produces large amounts of mucus, wheezing, shortness of breath, chest tightness, and other symptoms. In general the term COPD includes two main conditions emphysema and chronic bronchitis.

Cigarette smoking is the leading cause of COPD. Most people who have COPD smoke or used to smoke. Long-term exposure to other lung irritants-such as air pollution, chemical fumes, or dust-also may contribute to COPD.

COPD is a major cause of disability, and it's the 5th leading cause of death worldwide. Currently, millions of people are diagnosed with COPD. Many more people may have the disease and not even know it.

COPD develops slowly. Symptoms often worsen over time and can limit the ability to do routine activities.



Most of the time, COPD is diagnosed in middle-aged or older adults. The disease isn't passed from person to person. COPD has no cure yet, and doctors don't know how to reverse the damage to the airways and lungs.

Total COPD related expenses for outpatient care (= not in hospital) in the EU is approximately € 4.7 billion per year while inpatient care (=in hospital) generates costs of €2.9 billion followed by expenses in pharmaceutical of €2.7 billion per year..

COPD is the only major cause of death whose incidence is on the increase and is expected to be the third leading cause of death worldwide by 2030 (exceeded only by heart diseases and stroke).

Source : <http://www.copdcoalition.eu/about-copd/key-facts>
<http://www.nhlbi.nih.gov/health/health-topics/topics/copd/>

About AOK BAYERN

AOK BAYERN serves more than 4.3 million policyholders and about 250,000 employers, mainly in Bavaria. It employs 10,500 people in 39 offices and 250 branches, which are dedicated to take care of its insured. The annual revenues are around € 11.5 billion. Further information is available at: www.aok.de / Bayern.

About SHL Telemedicine

SHL Telemedicine Ltd. specializes in developing and marketing advanced personal telemedicine systems as well as providing comprehensive telemedicine solutions including medical call centers to individuals and to the healthcare community. As a leading provider of remote health services in cardiology and in other medical areas, SHL maintains business operations in Europe, mainly in Germany, and at its home market in Israel. SHL is listed on the SIX Swiss Exchange (SHLTN, ISIN: IL0010855885, Security No.: 1128957). Further information is available at: www.shl-telemedicine.com.

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