



SHL-TeleMedicine

Results Q1 2002

Conference Call

16 May 2002, 10 a.m. (CET)

Dial-In numbers:

- from Europe: +41 91 610 41 11
- from the US: +1 412 858 46 00

Section 1 Q1 and Raytel

Section 2 Financials

Section 3 Guidance 2002

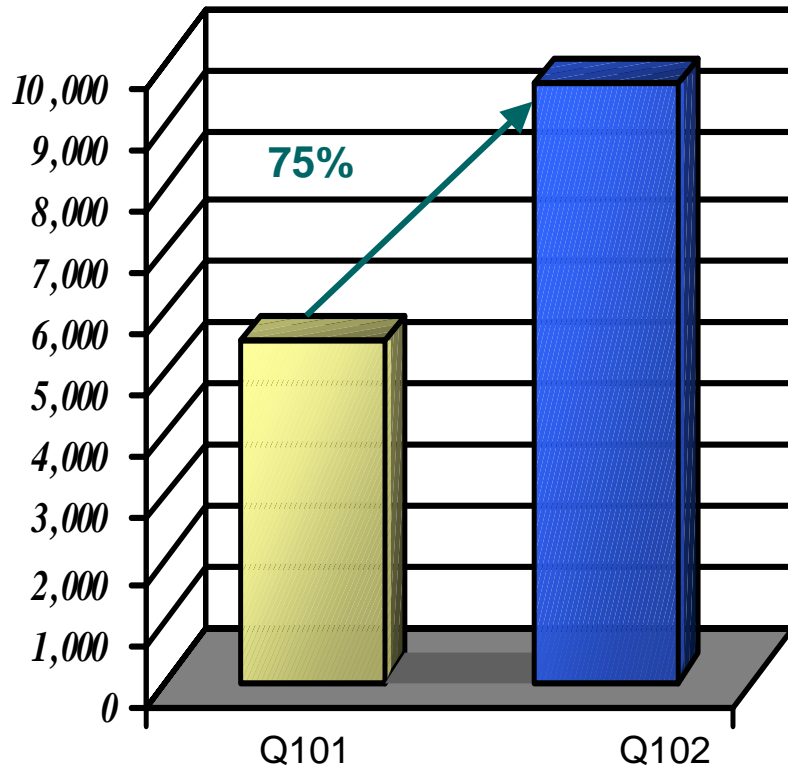
Section 4 Q & A

Section 5 Appendix

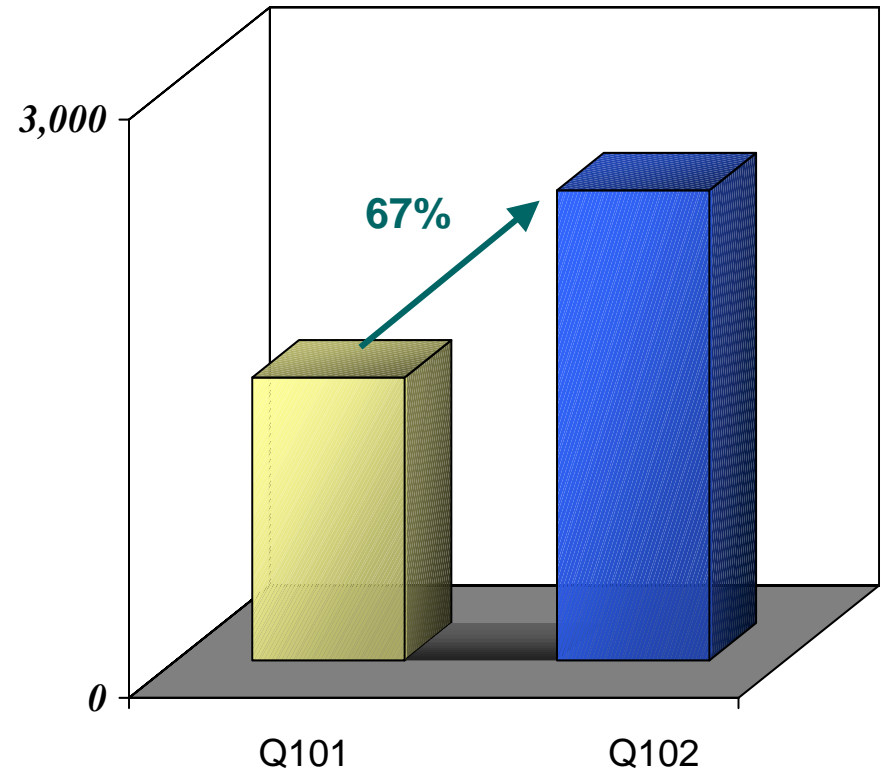
Q1 and Raytel

- ◆ Strong operation in Israel despite challenging political and economic situation
- ◆ Continuing progress in Europe
- ◆ Successful Raytel acquisition
- ◆ Financial results in line with our expectations

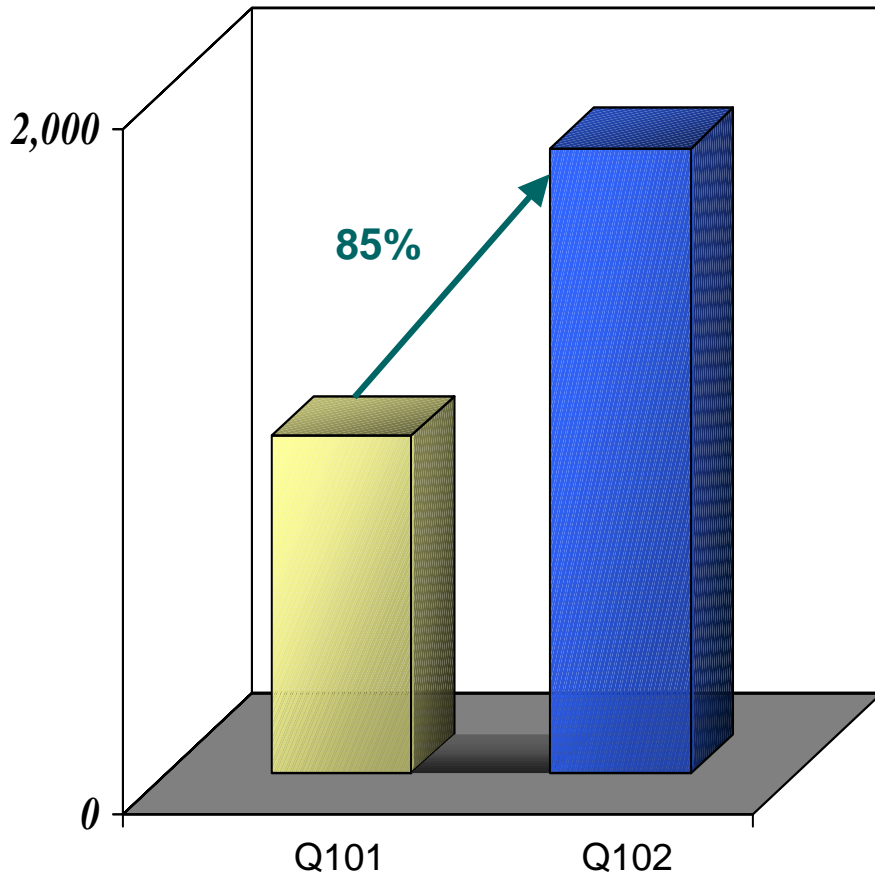
Revenues - 9,681



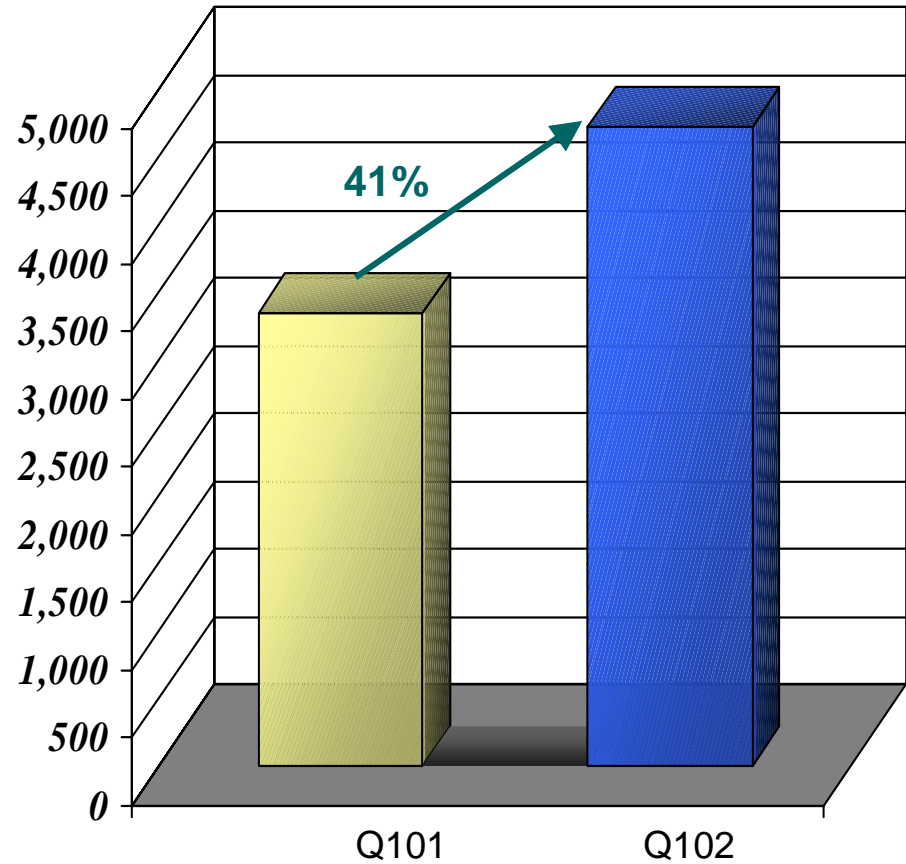
EBITDA - 2,444



EBIT – 1,827



Net Profit - 4,717



- ◆ At the end of the quarter the tender offer was completed
- ◆ As from April 1st, SHL owns 80% of the Raytel shares. The balance will be acquired by way of a merger process that is expected to be concluded in the second quarter
- ◆ The company will be managed as a public company until full merger takes place
- ◆ Total price of approximately USD 31 million

- ◆ Incorporated in 1981 and is active in the US
- ◆ Leading provider of remote trans-telephonic pacemakers, cardiac event and holter monitoring services .
- ◆ Owns and operates outpatient cardiovascular , nuclear cardiology and imaging diagnostic service facilities.
- ◆ ~600 employees
- ◆ FY 2001 (ended September 30)

Revenue USD 71.2 million

EBITDA USD 8.37 million (from normal operations)

EBIT USD 1.89 million (from normal operations)

Financials

(USD 000s)	2001	2002	% GROWTH
Revenues	5,531	9,681	75%
Gross Profit	3,168	5,077	60%
Margin	57.3%	52.4%	
EBITDA	1,464	2,444	67%
Margin	26.5%	25.2%	
EBIT (Operating Profit)	985	1,827	85%
Margin	17.8%	18.9%	
Profit before Tax	3,754	6,690	78%
Margin	67.9%	69.1%	
Net Profit	3,336	4,717	41%
Margin	60.3%	48.7%	
Eps	US\$ 0.31	US\$ 0.44	

(USD 000s)	31/3/2001	31/3/2002
Assets		
Current assets	72,561	98,548
Long term assets	21,353	38,691
Fixed assets	2,366	2,700
Other assets	16,658	21,403
Total assets	112,938	161,342
Liabilities and Shareholders' Equity		
Current Liabilities	6,587	34,340
Long term liabilities	14,803	32,296
Shareholders' equity	91,548	94,706
Total liabilities and shareholders' equity	112,938	161,342

Guidance 2002

Major steps 2002

- ◆ Continue European expansion with our strategic partners
- ◆ Fast integration of Raytel Medical Corporation
- ◆ Expand product offering through technological innovation
- ◆ Maintain leading market share in home market Israel

- ◆ SHL's 2002 results include Raytel's operations for 9 months only
- ◆ Total revenue forecast between USD 90M - USD 95M:
 - Domestic revenue growth between 45% - 55%
 - International revenue over 50% of total revenue
- ◆ EBITDA - between USD 18M - USD 23M (20% - 26%)
- ◆ EBIT- between USD 11.5M - USD 15.5M (13% - 17%)

Q&A session

Erez Alroy

erez@shl-telemedicine.com

Assistant: Pauline Shavit

pauline@shl-telemedicine.com

Tel: + 972 3 561 22 12

www.shl-telemedicine.com

Appendix

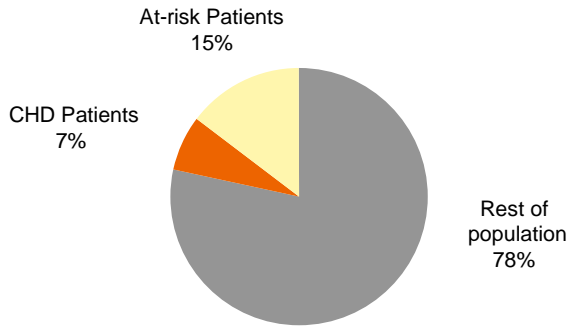
- ◆ IR Agenda
 - Q2: August 20
 - Q3: November 20
- ◆ 10,663,373 registered shares with a par value of NIS 0.01 each
- ◆ Listed at SWX New Market in CHF; Symbol: SHLTN; Securities No. 1128957
- ◆ Market price high/low (CHF) in Q1 2002: 54.5/9.5
- ◆ Market capitalization high/low (CHF million) in Q1 2002: 581.1/101.3
- ◆ Market capitalization 31.3.02 (CHF million) in Q1 2002: 261.2
- ◆ No voting restrictions

The following points differentiate SHL's consumer-oriented business model

- ◆ Integrated technology/service provider
 - Fourteen year track record of technological innovation and medical call centre operation
- ◆ Source of revenue: out of pocket versus third party reimbursement
 - consumer model not dependent on third party reimbursement
 - SHL's technology is FDA approved and easily capable of providing reimbursable services
- ◆ Long term client base provides recurring revenue stream
 - the average subscriber utilises SHL's services for over five years
 - substantially different turnover profile
- ◆ Uniquely positioned to penetrate European market
 - with minimal third party reimbursement for telemedicine in Europe, SHL's consumer-oriented model is best suited to penetrate the European market
 - partnership with Philips provides SHL with superior scale, marketing clout with consumers

Cardiovascular diseases afflict some 60m people in the US

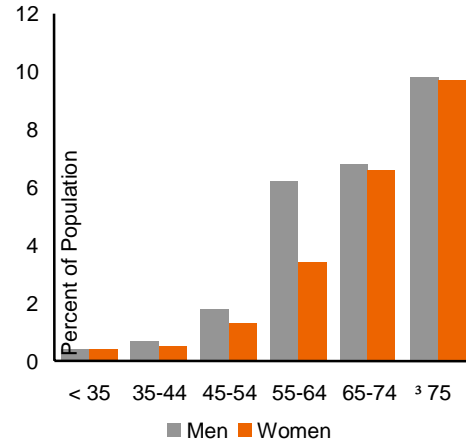
Heart disease prevalence in the U.S.



U.S. adult population 20+ years old 1999 Heart and Stroke Statistical Update American Heart Association

SOURCE:

Estimated prevalence of congestive heart failure by age and sex



NHANES (1988-94), CDC/NCHS and the American Heart Association

SOURCE:

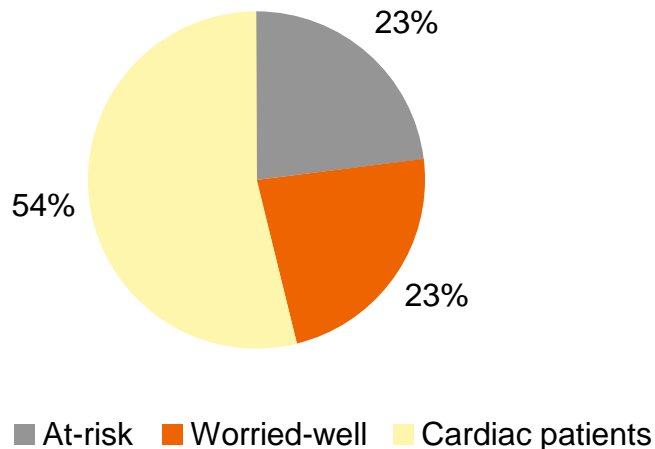
- Each year, an estimated 1.1m Americans have a new or recurrent myocardial infarction (MI)
- Congestive heart failure affects 4.6m Americans at an annual total cost of more than USD22.0 bn
- Direct costs associated with coronary heart disease are estimated to reach to USD55.2 bn in 2000

American Heart Association, "Heart and Stroke Facts", 2000

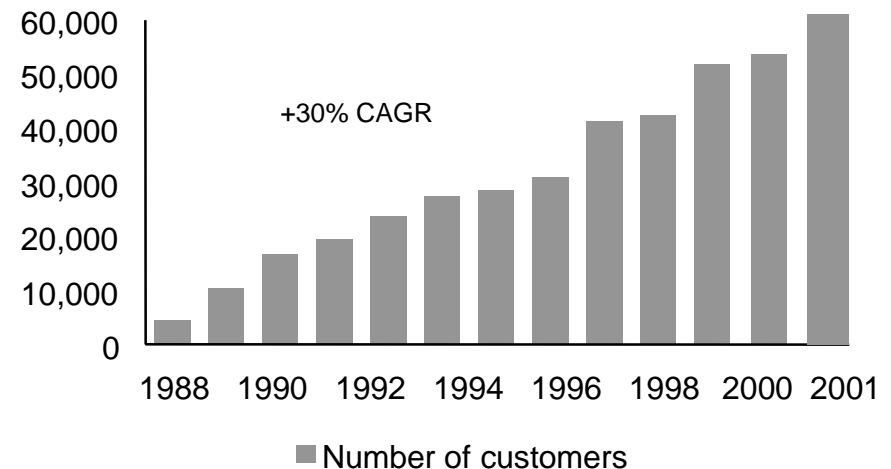
SOURCES:

Over 14 years of experience operating as an integrated technology and service provider

Subscriber breakdown



Number of subscribers



- Approximately 60,000 subscribers generate recurring revenues
- Subscriber growth of 30% (CAGR) for 1988-2000
- Forecasted growth in domestic market of 12-15% (CAGR) for 2001-2005

