

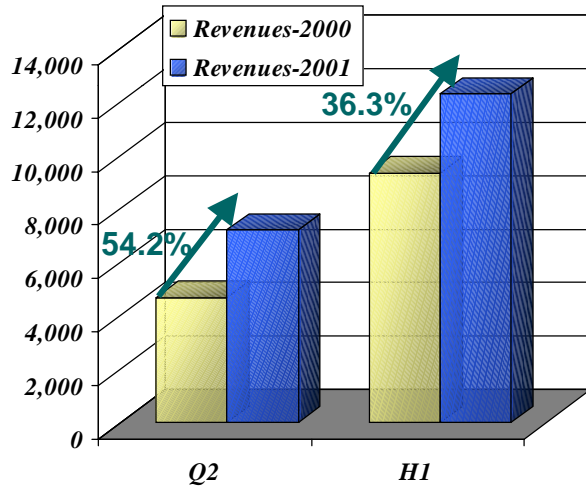


Results Q2 &H1

August 24, 2001

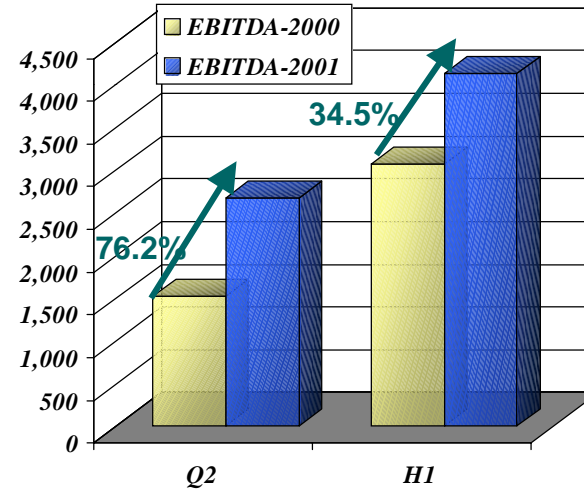
- Section 1 Company overview and highlights Q2 2001 *Erez Alroy, Co-President*
- Section 2 Insight Information Technology *Irit Alroy, VP Technology Development*
- Section 3 Outlook 2001 *Erez Alroy, Co-President*
- Section 4 Financial results Q2 2001 *Erez Termechy, VP&CFO*
- Section 5 Q&A session

Company overview and highlights Q2 2001



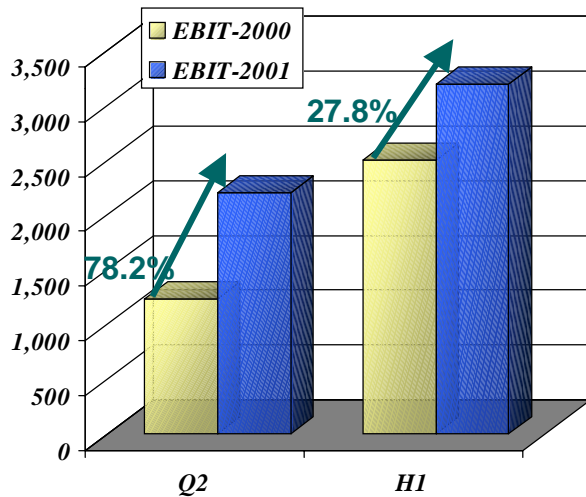
Revenues
H1 2001-
12,728

Q2 2001-
7,197



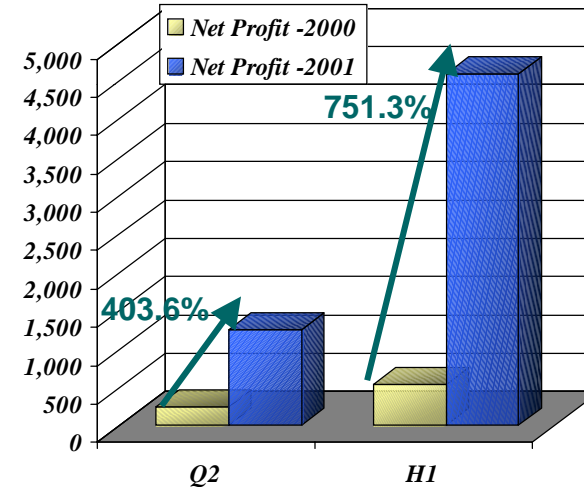
EBITDA
H1 2001-
4,133

Q2 2001-
2,669



EBIT
H1 2001-
3,186

Q2 2001-
2,201



Net Profit
H1 2001-
4,580

Q2 2001-
1,244

◆ **Formation of joint venture with Philips Medical Systems to create Philips HeartCare Telemedicine Services Europe B.V.**

- **Management:** Dr. Jeroen Cammeraat – CEO
Rami Ish-Hurvitz – COO
Ronald Paris – CFO

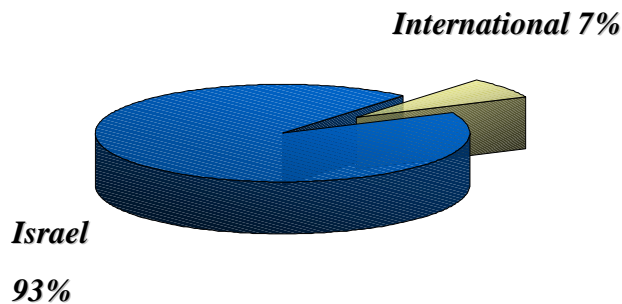
◆ **Product approvals and launches**

- CB 12/12 obtains FDA marketing clearance
- Cardio MC vision 7 obtains FDA marketing clearance
- Home Care Center obtains FDA marketing clearance
 - *Communication system linking client patients with diagnostic and monitoring services*
- Multi channel ECG receiver obtains FDA marketing clearance
- Launch of CardioBeeper CB 12/12
 - *Easy-to-use device capable of transmitting a 12-lead ECG from patient to medical monitor center in 12 seconds*
- Introduction of TeleBreather
 - *Remote device designed to facilitate user-friendly diagnostic monitoring of patients with asthma and chronic pulmonary disease*

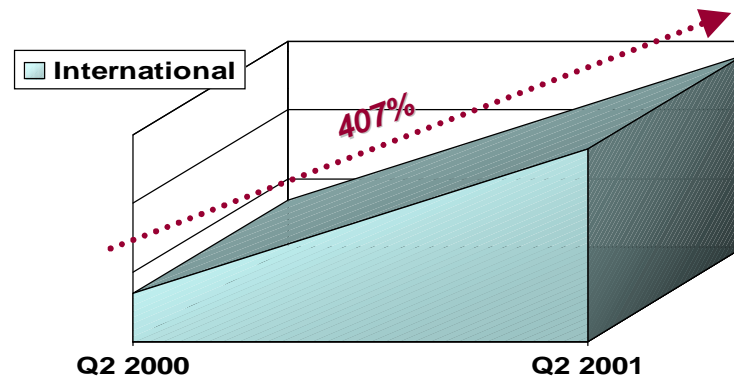
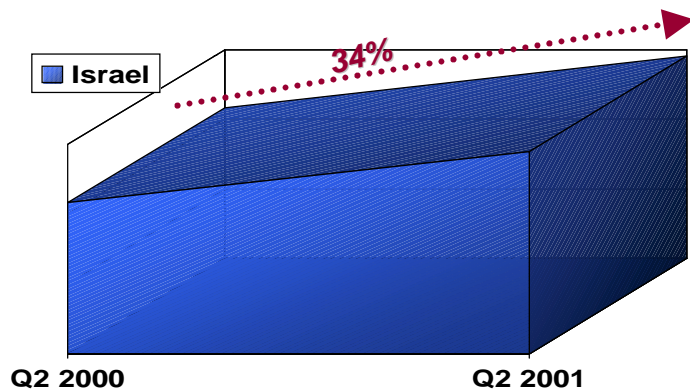
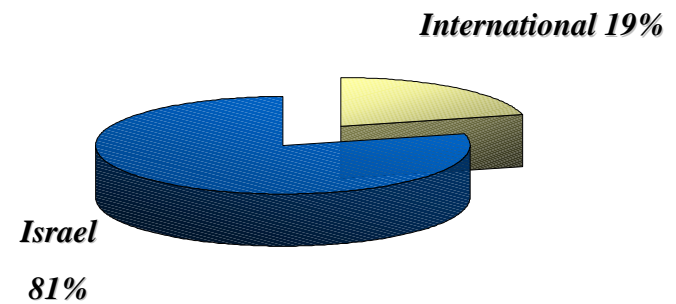
◆ Increase of international sales

- 19% of sales derived from international operations compared to 7% last year

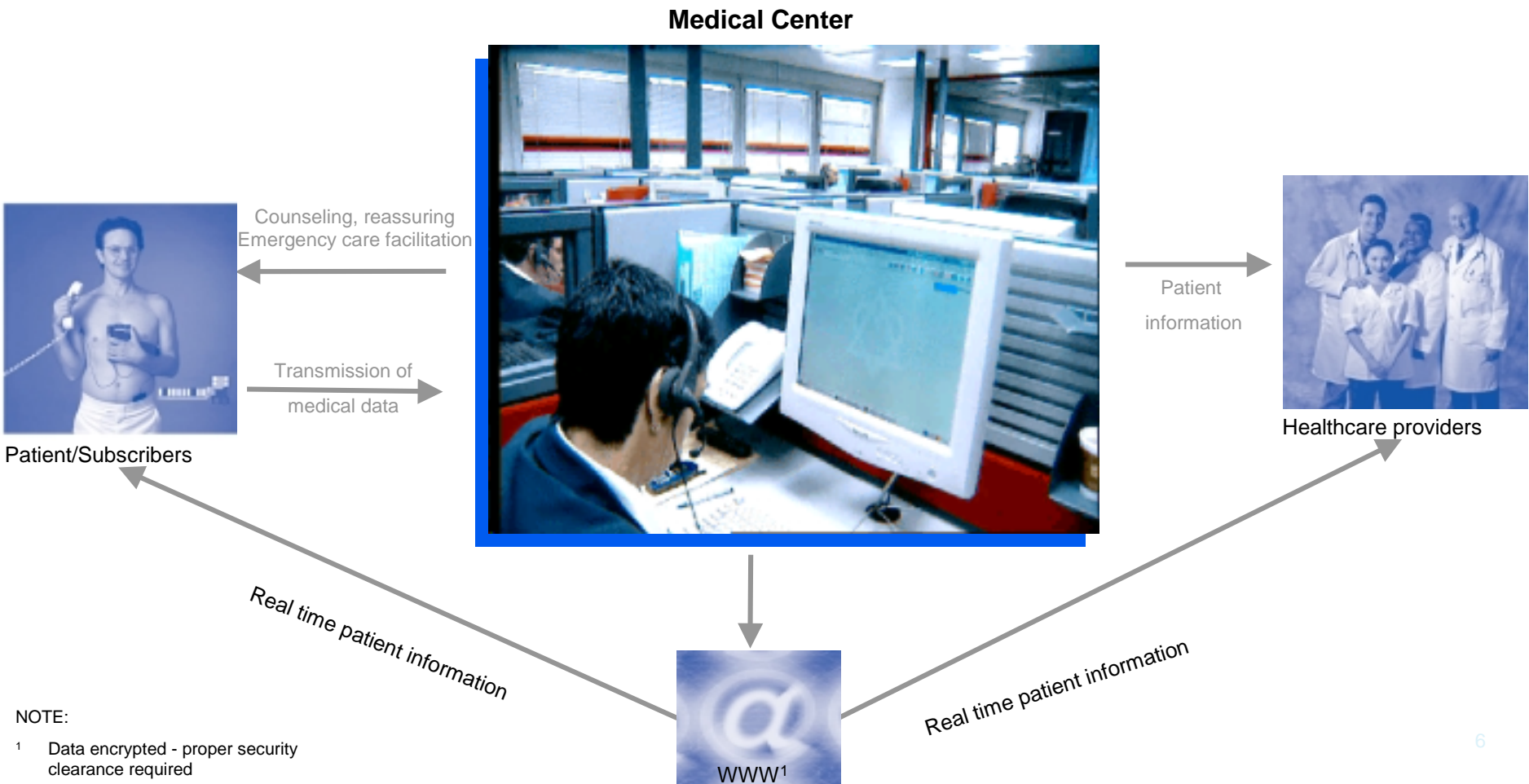
Geographical breakdown
Q2, 2000



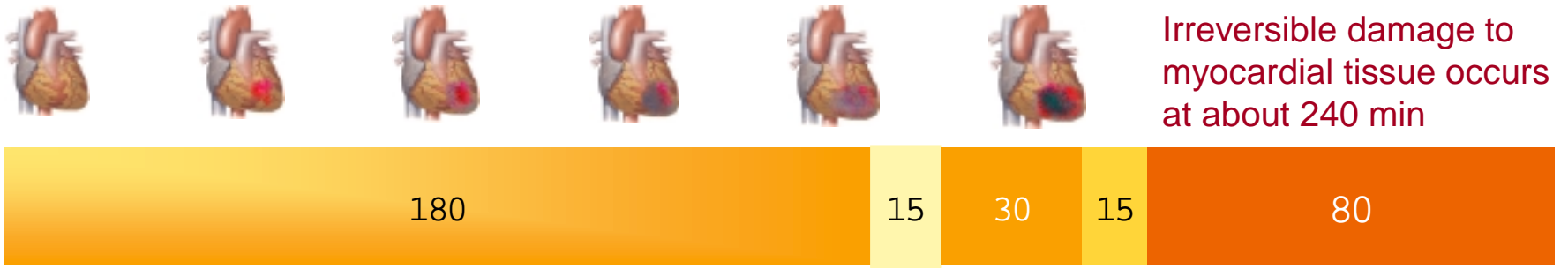
Geographical breakdown
Q2 2001



Personal telemedicine is the transmission of medical data via telecommunication networks by an individual patient from a remote location to a medical call center for the purpose of monitoring and diagnosis



NOTE:
 1 Data encrypted - proper security clearance required



0 min.

320 min.



With SHL's system, response time is reduced by up to 215 min.

0 min.

105 min.

■ Reaction delay ■ Ambulance response ■ Home to hospital ■ At-home treatment ■ Door-to-Needle

Peace of mind, better care and cost efficiency

Value for subscribers	Value for physicians and hospitals	Value for payors
<ul style="list-style-type: none"> ◆ Reduced emergency response time ◆ Reduced severity of damage after myocardial infarction (MI) ◆ At USD 40-60 monthly for device and call center service, economically viable and efficient 	<ul style="list-style-type: none"> ◆ Real time patient monitoring from remote locations ◆ Efficient management of treatment programs ◆ Early release programs after MI: lower revenue patients leave earlier, thereby allowing more beds for procedure ready patients 	<ul style="list-style-type: none"> ◆ Reduces costs associated with unnecessary hospitalizations ◆ Reduces hospitalization cost as inpatients can often be released sooner ◆ Efficient availability of patient data

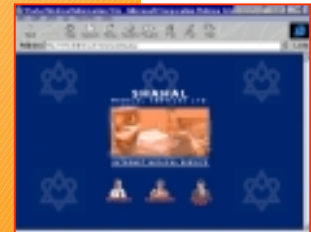
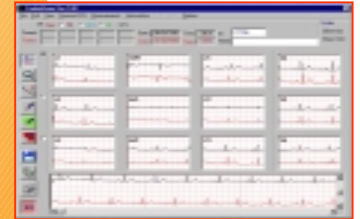
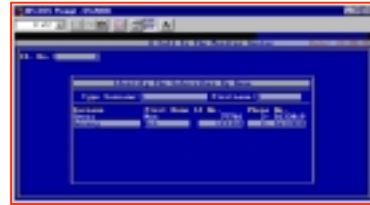
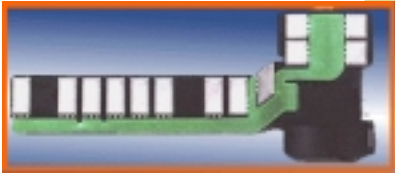
Insight Information Technology

SHL Telemedicine Services

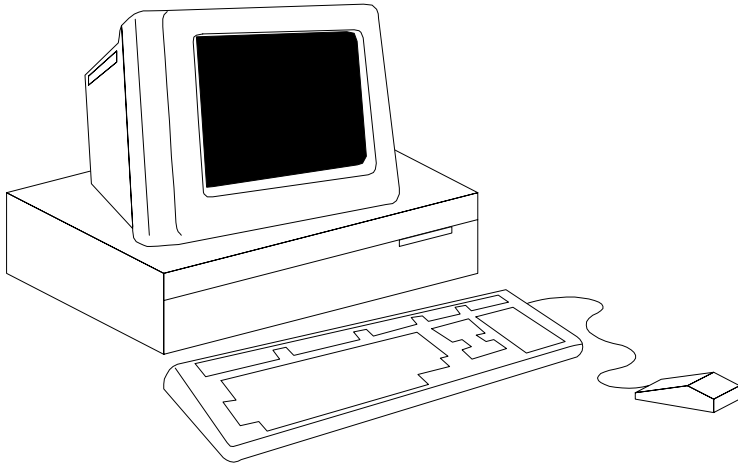
Hardware Development

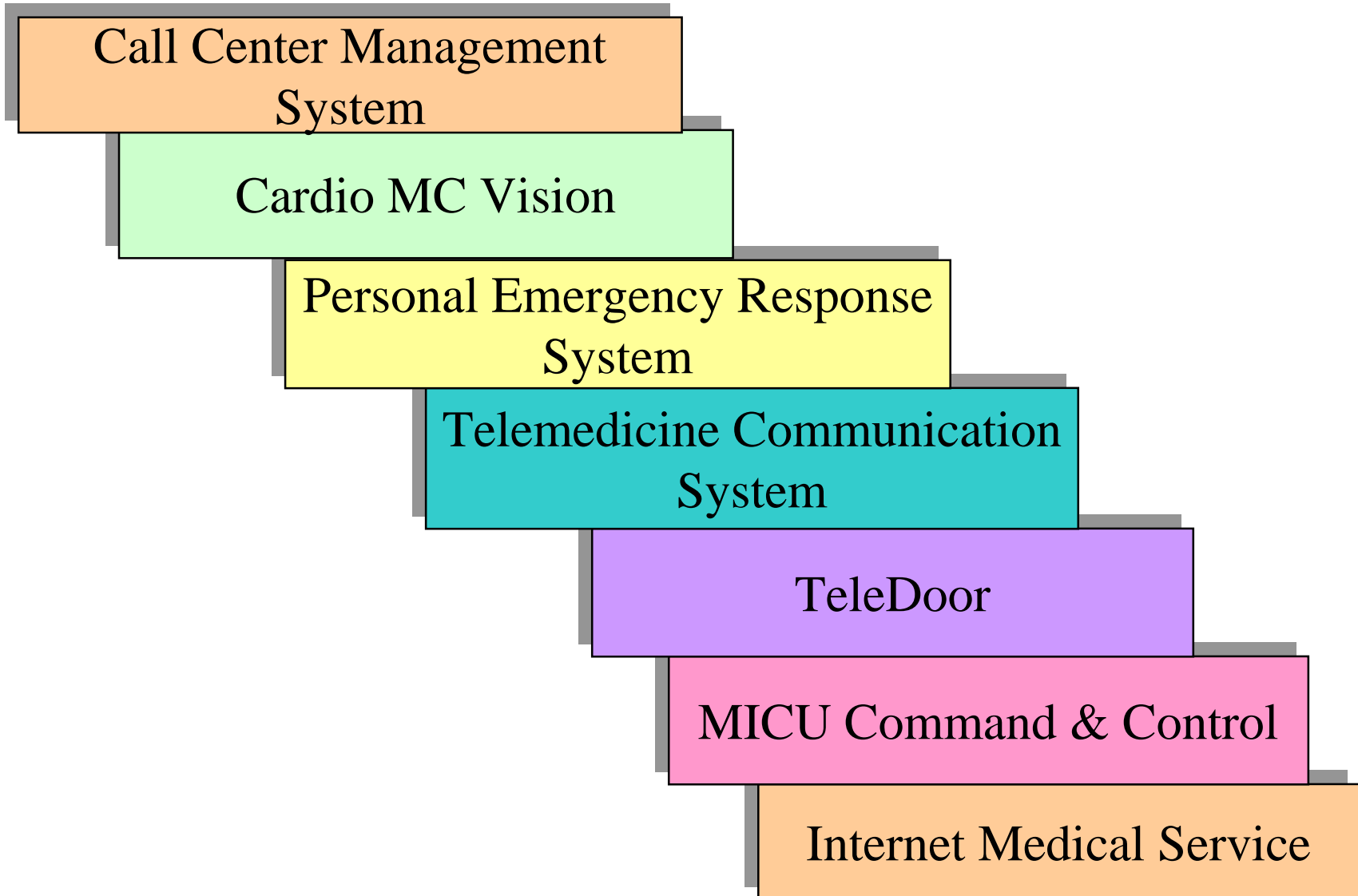
Software Development

Research



- ◆ To build a system which suits perfectly the evolving needs of the company .
- ◆ To build a stable system with minimum defects
- ◆ To remain on the cutting edge of technology
- ◆ To build a system based on industry standard components





- ◆ In-house Hardware and Software development - smooth interface.
- ◆ Cross functional teams in each stage of development life cycle
- ◆ Developers in daily contact with monitor center medical staff
- ◆ Call center acts as an in-house beta site
- ◆ 14 years of experience
- ◆ 14 years of accumulated data

SHL Telemedicine International
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Subscriber Devices Data Files Update Reminder Reports Phone Books MICU Help Exit

Call

ID	77766	Name	Gross Max		Age	73	Sex	Male	Devices	CB-12L
Tel No.	3-5633888	Address	Darvin 13#0 Tel-Aviv						CardoiPocket	
ISDN		Service	Pulm+M.I.C.U.	Subs. Year	1994	Rep.	69	Business	HCC 7	
Status	Valid	Program	Hospital Follow	Duration	24	Business ID			Panic Button	
									TelePress 1	

Incident Address:	Darvin 13#0 Tel-Aviv	Tel.	3-5633888	Zone	Tel-Aviv
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Last PF: 06/10/98 Time: 22:09, 84%	Pulm. Score=3
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Medical Data as Of:03/11/94
Habits:    NON DRINKER
ECG Findings as Of:12/01/93
          Rate:80
****    NORMAL E.C.G.    ****
Non Cardiac Diseases:
Pulmonary Diseases:
          BRONCHIAL ASTHMA ALLERGIC (EXTRINIC)
          
```

Previous Calls: 0 Today, 0 this Week, 0 this Month	
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* Call on:17/12/98 Time:10:25 Advice/Reassurance Nurse
  Subs. didn't feel well Up to 15 min. before calling
Remarks:Chest Pain
Duty Nurse:Yardena      User:35
Beeper Findings:
          NSR Rate:80

* Call on:25/11/98 Time:10:40 Advice/Reassurance Nurse
  Subs. didn't feel well Up to 15 min. before calling
          
```

Press <Enter> to continue

Year	Calls	Dispatches
96	3	0
97	2	1
98	2	1

<< Back	Next >>
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Interactive dialogue with the subscriber

- ◆ Enables immediate subscriber data retrieval including automatic identification.
- ◆ Displays subscriber personal data, medical record, previous calls, measurement results in the most convenient order for the nurse.
- ◆ The software navigates the nurse through the dialogue with the patient, ensuring that nothing will be forgotten in an emergency situation.
- ◆ The software includes built in instructions which relate to the patients condition, their call frequency , and other acquired experience.

ECG receiver software

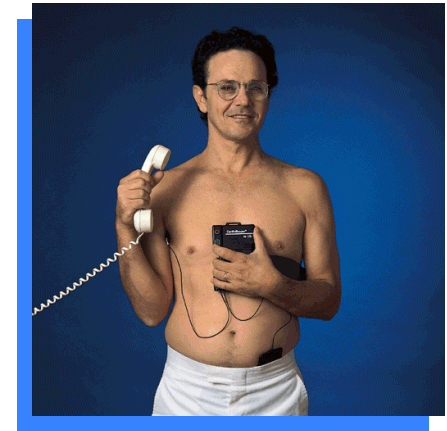
- ◆ Real time ECG display .
- ◆ Automatic identification of leads
- ◆ Visual clear comparison
- ◆ Powerful scroll and zoom
- ◆ Measurements and annotations
- ◆ Edit , Save, print and retrieve ECGs.



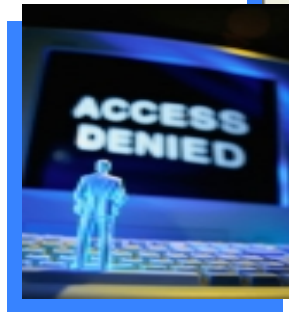
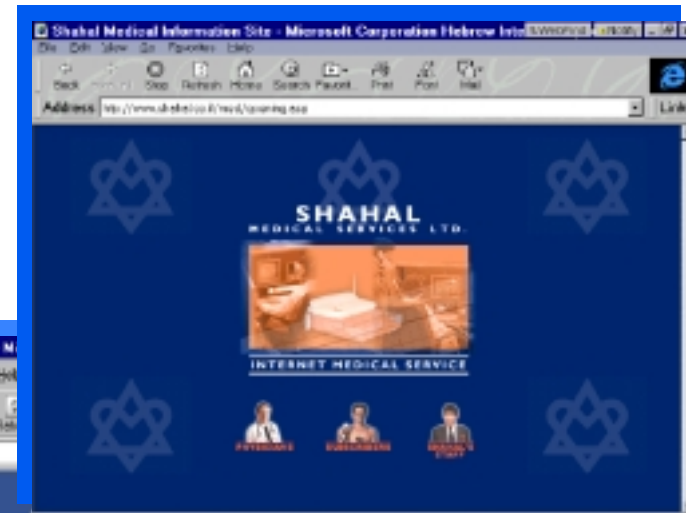
- ◆ Proprietary CTI system
- ◆ Self Monitoring system
- ◆ Produces reports regarding the power & battery status of all HCC and the connected Watchmans
- ◆ Enabled remote programming of HCC dialing parameters individually or in batches.
- ◆ Includes technical device installation and support module.

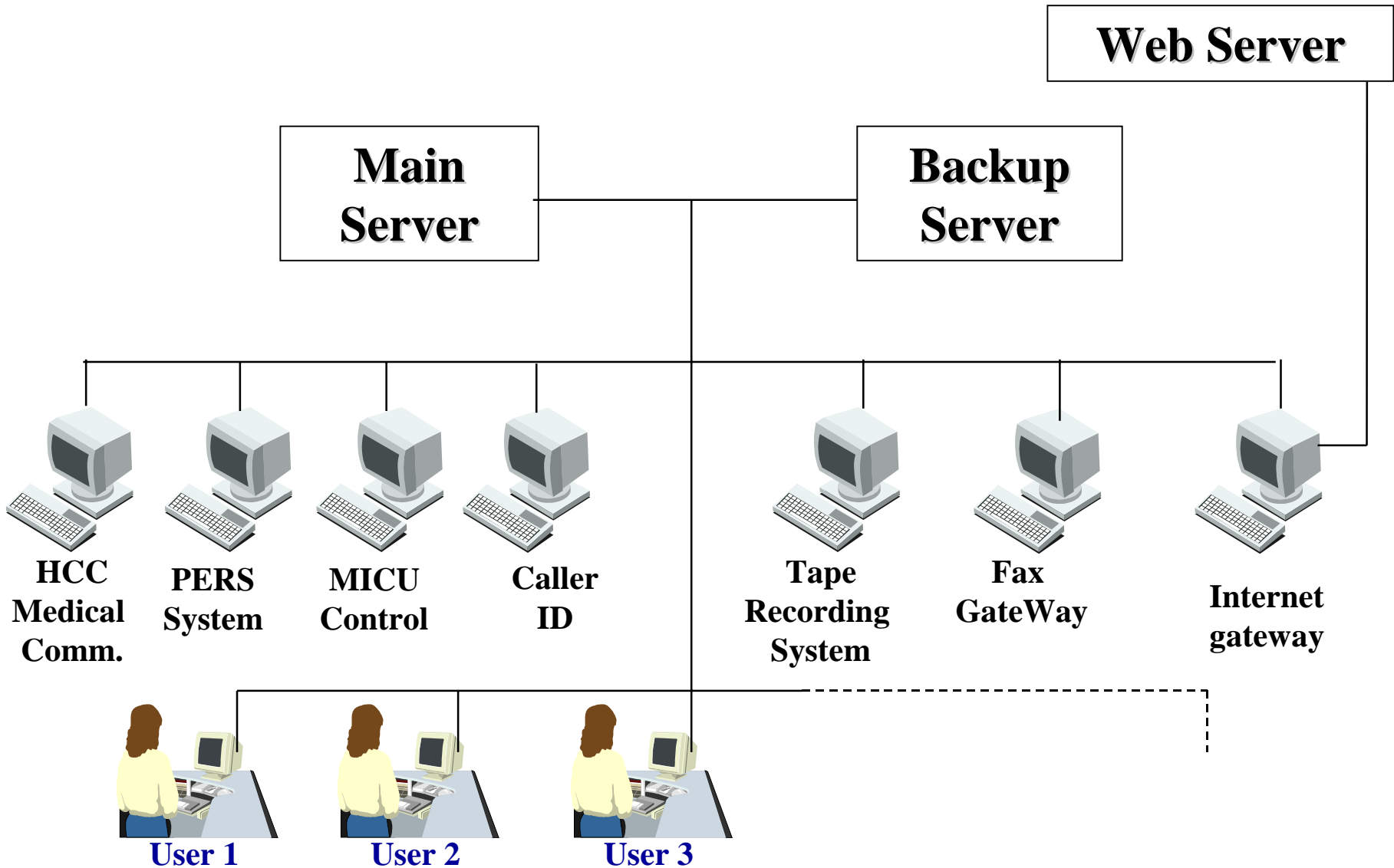


- ◆ Subscribers transmits medical data to the Monitor Center
- ◆ Monitor Center medical staff update subscriber's record
- ◆ A dedicated gateway computer mirrors the data to the Internet database server
- ◆ Real time accurate medical data is available for subscribers , physicians & hospitals



- ◆ Individual passwords
- ◆ Restricted and limited authorizations for defined groups of users.
- ◆ General access with magnetic card identification only.
- ◆ Data encryption





Outlook 2001

Major steps 2001

- ◆ Enhance International Expansion
 - Roll-out in Germany, Italy and Switzerland of Philips HeartCare Telemedicine Services Europe B.V.
 - UK operation
 - Target of revenues from international activities: 22%-27% of total revenues
- ◆ Expand product offering through technological innovation
- ◆ Maintain leading market share in home market Israel
- ◆ Examining opportunities for partners beyond Europe and selected acquisitions
- ◆ Financial key targets
 - Sales growth: 45%-50%
 - EBIT margin: 24%-26%

A map of Switzerland with a purple-to-white gradient background. The word "Switzerland" is written in bold black text in the center of the map.

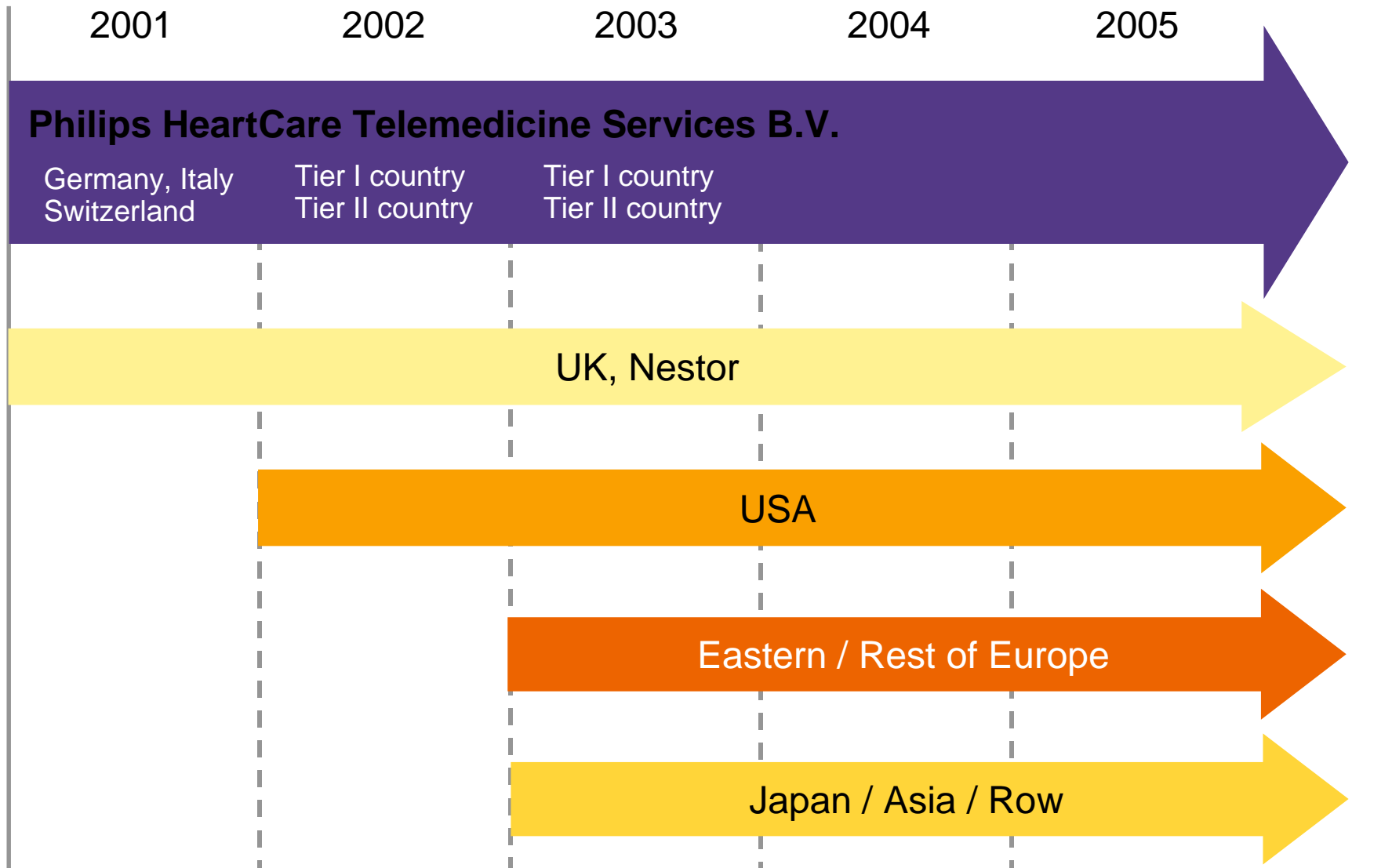
Switzerland

- ◆ *Location - Zurich, Switzerland*
- ◆ *Managing Director – Dr. Jacques-Henri Weidman*
- ◆ *Chief Medical Officer – Dr. med. Urs Schneider*
- ◆ *Medical Advisory Board –
Renowned cardiologists from the university hospital of Zurich have joined
the Swiss Medical Advisory Board.*

◆ *Location – North Italy*



◆ *Location – South-West, Germany*



Product pipeline 2001 and beyond

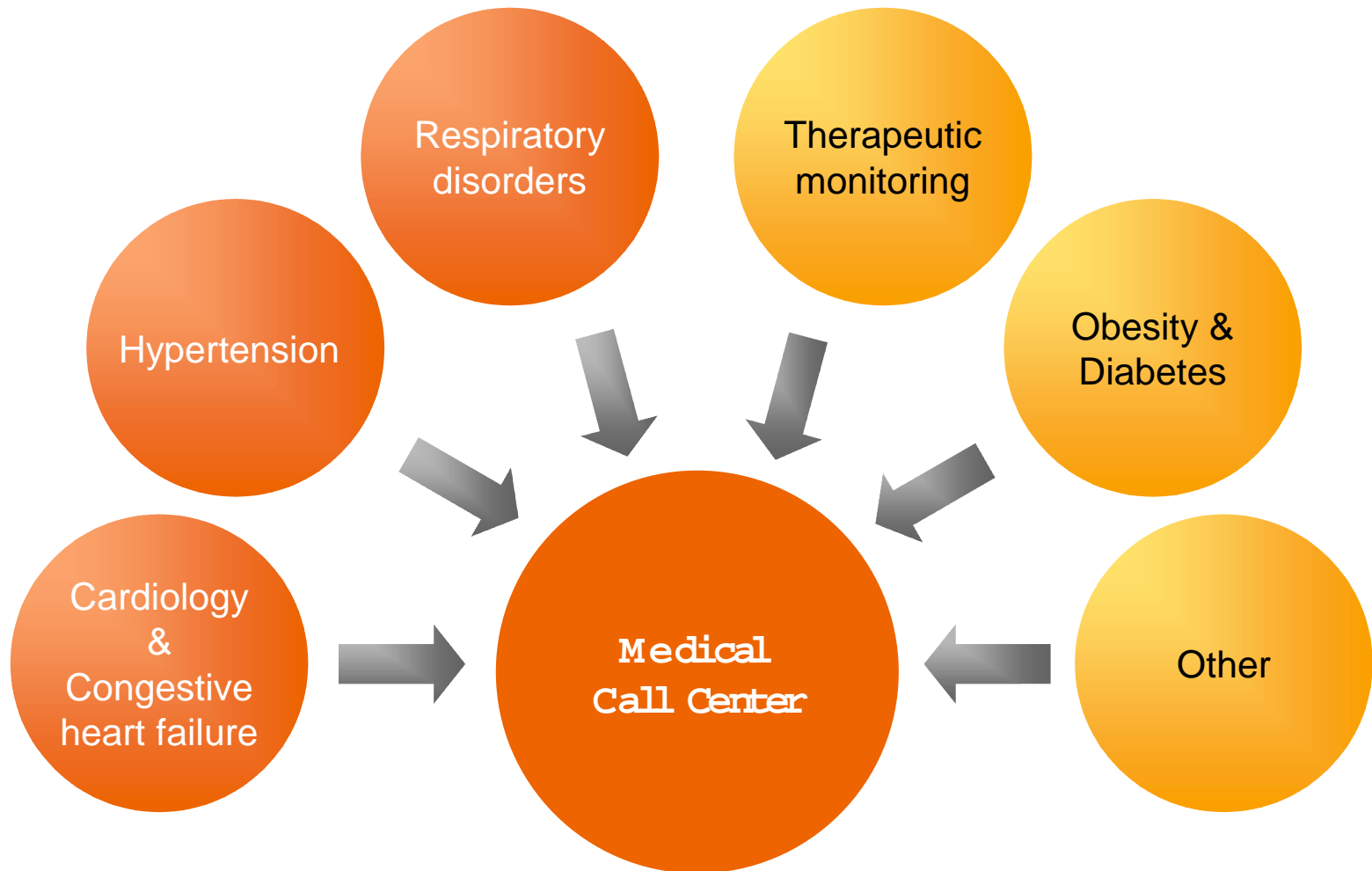


Products	Target Launch Date	Status
CardioBeeper 12/12	Q1 2001	✓
TeleBreather	Q1 2001	✓
Multi channel ECG receiver	H1 2001	✓
Cardio MC Vision 7	H1 2002	✓
CardioPocket	H1 2002	
Blood measurement device	H1 2002	



Other products due to be launched in 2002 are currently under development

A wide range of opportunities for the telemedicine industry



current medical applications



Future market opportunities

Financial results Q2 2001

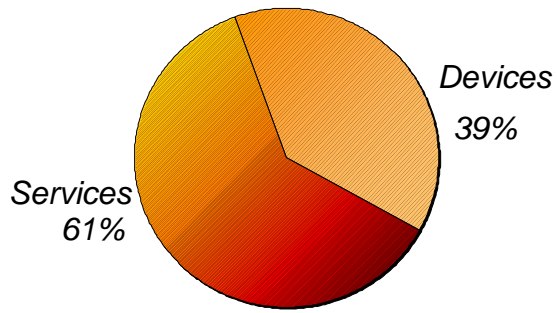
Financial overview

(USD 000s)	2000	2001	% GROWTH
Revenues	4,668	7,197	54.2%
Gross Profit	2,793	4,794	71.6%
Margin	59.8%	66.6%	
EBITDA	1,515	2,669	76.2%
Margin	32.5%	37.1%	
EBIT (Operating Profit)	1,235	2,201	78.2%
Margin	26.5%	30.6%	
Profit before Tax	530	1,588	199.6%
Margin	11.4%	22.1%	
Net Profit	247	1,244	403.6%
Margin	5.3%	17.3%	
Eps	US\$ 0.04	US\$ 0.12	

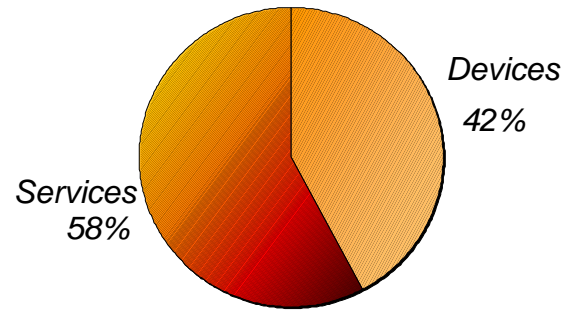
(USD 000s)	2000	2001	%GROWTH
Revenues	9,340	12,728	36.3%
Gross Profit	5,724	7,962	39.1%
Margin	61.3%	62.6%	
EBITDA	3,073	4,133	34.5%
Margin	32.9%	32.5%	
EBIT (Operating Profit)	2,492	3,186	27.8%
Margin	26.7%	25%	
Profit before Tax	1,084	5,342	392.8%
Margin	11.6%	42%	
Net Profit	538	4,580	751.3%
Margin	5.8%	36%	
Eps	US\$ 0.10	US\$ 0.43	

Revenues Breakdown and Targets

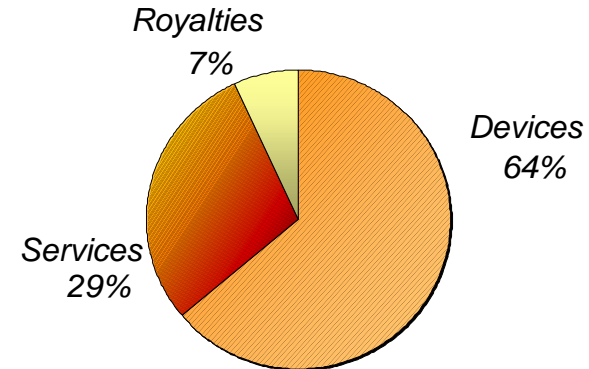
Revenue breakdown
H1 - 2000



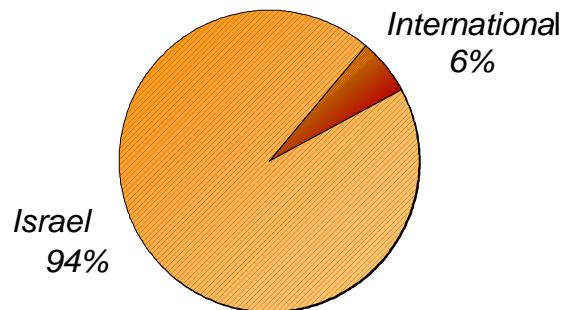
Revenue breakdown
H1 - 2001



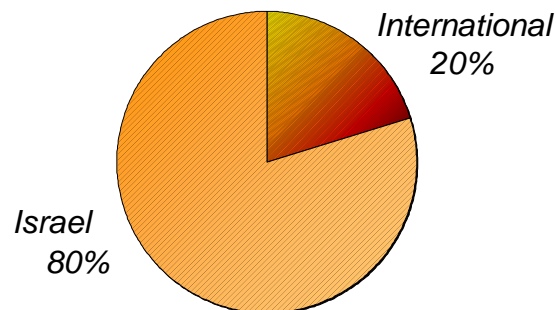
Revenue breakdown
mid-term



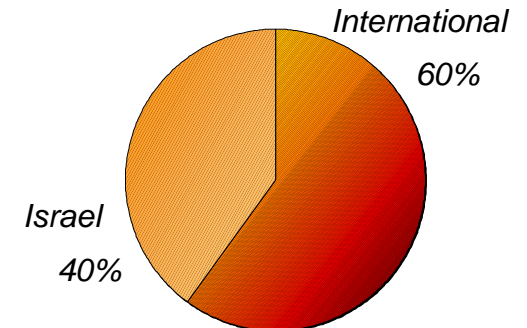
Geographical breakdown
H1 - 2000



Geographical breakdown
H1 - 2001



Geographical breakdown
mid-term



(USD 000s)	30/6/2000	30/6/2001
Assets		
Current assets	12,291	74,006
Long term assets	14,945	27,147
Fixed assets	2,020	1,706
Other assets, net	6,708	16,603
Total assets	35,964	119,462
Liabilities and Shareholders' Equity		
Current Liabilities	9,984	12,104
Long term liabilities	25,405	14,169
Minority interest	267	-
Shareholders' equity	308	93,189
Total liabilities and shareholders' equity	35,964	119,462

Q&A session

- ◆ Erez Alroy, Co-President
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erez@shl-telemedicine.com
- ◆ Erez Termechy, Vice-President and Chief Financial Officer
Phone +972-3-561-22-12
erezt@shl-telemedicine.com
- ◆ IR Agenda

Q3: November 23, 2001