



# SHL-TeleMedicine

## Results 2001 and Outlook 2002

Successful at home, expanding abroad and delivering results.

Zurich, 5 March 2002

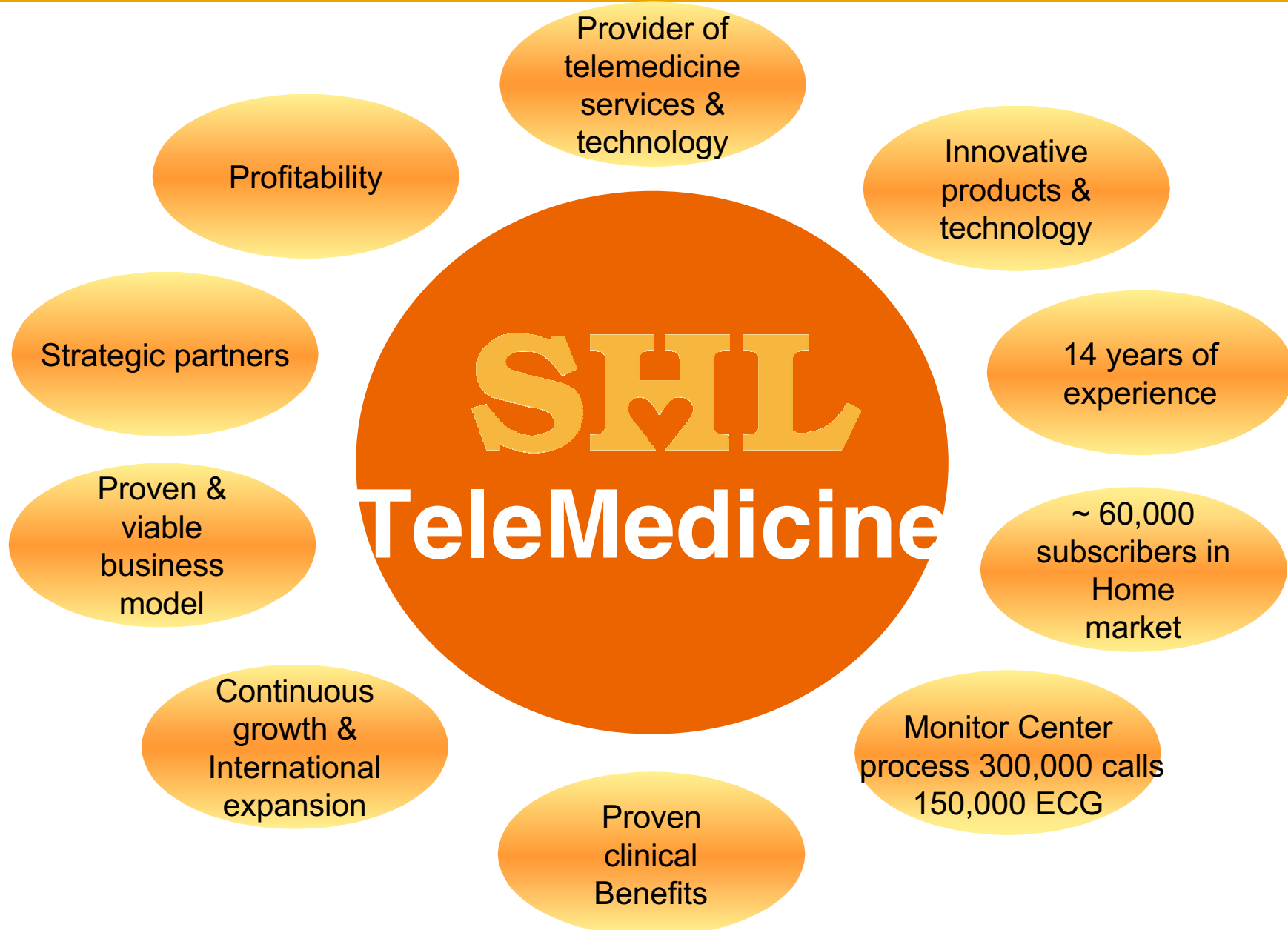
- Section 1    Company Overview and Highlights
- Section 2    Expansion at home and international
- Section 3    Entering the US Market
- Section 4    Financial Results 2001
- Section 5    Outlook 2002
- Section 6    Q&A
- Section 7    Appendix

### Company Overview and Highlights



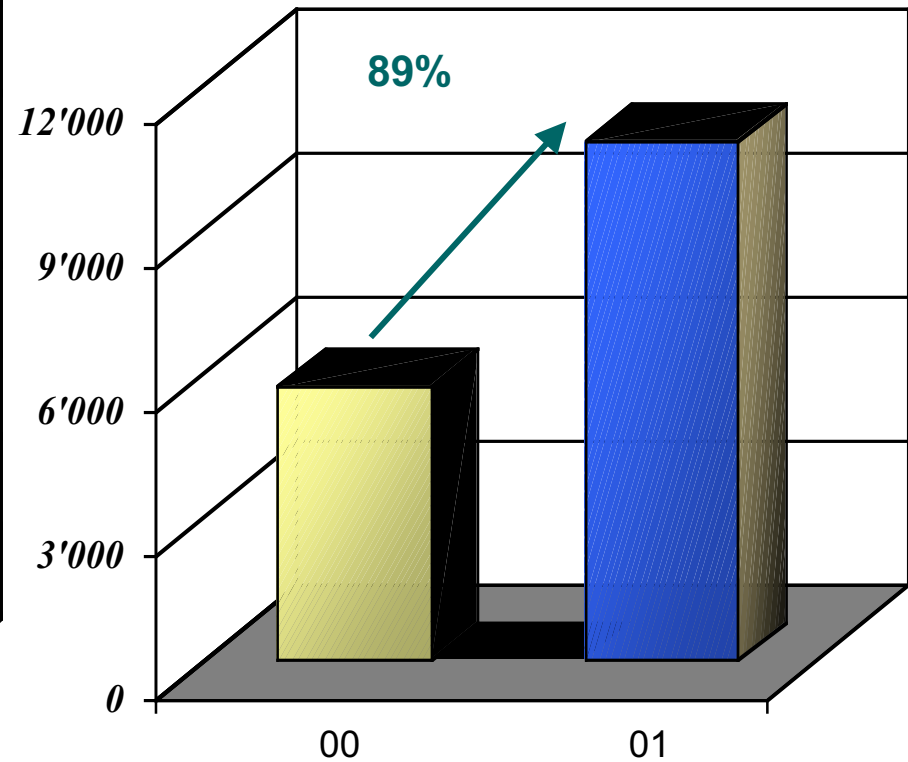
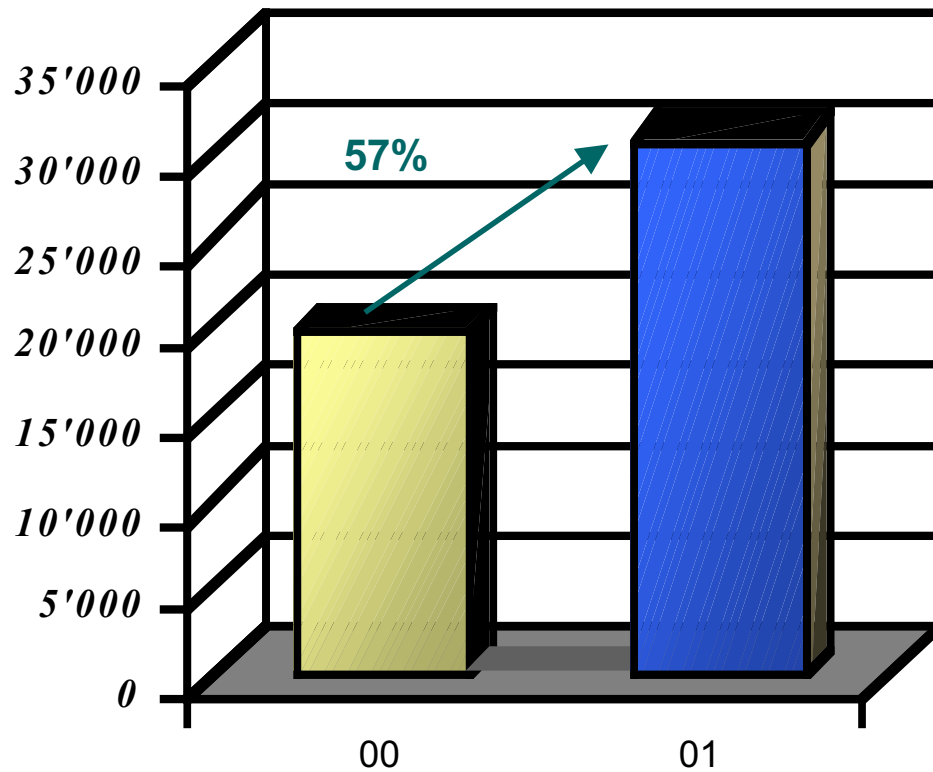
# Integrated provider of TeleMedicine

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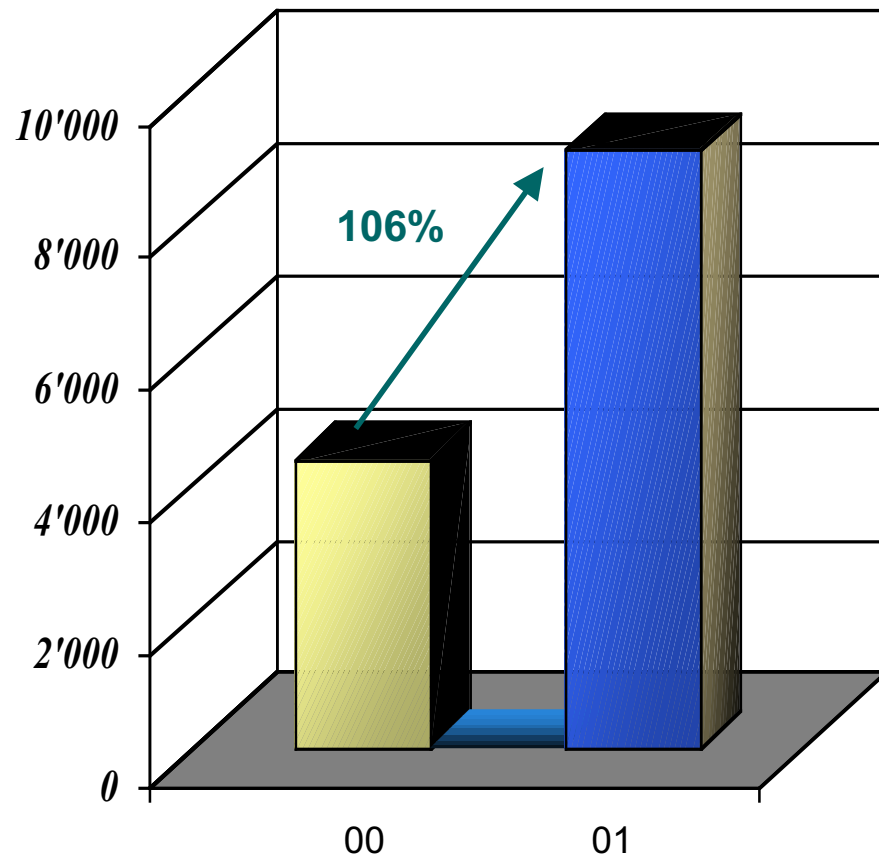


Revenues - 30,615

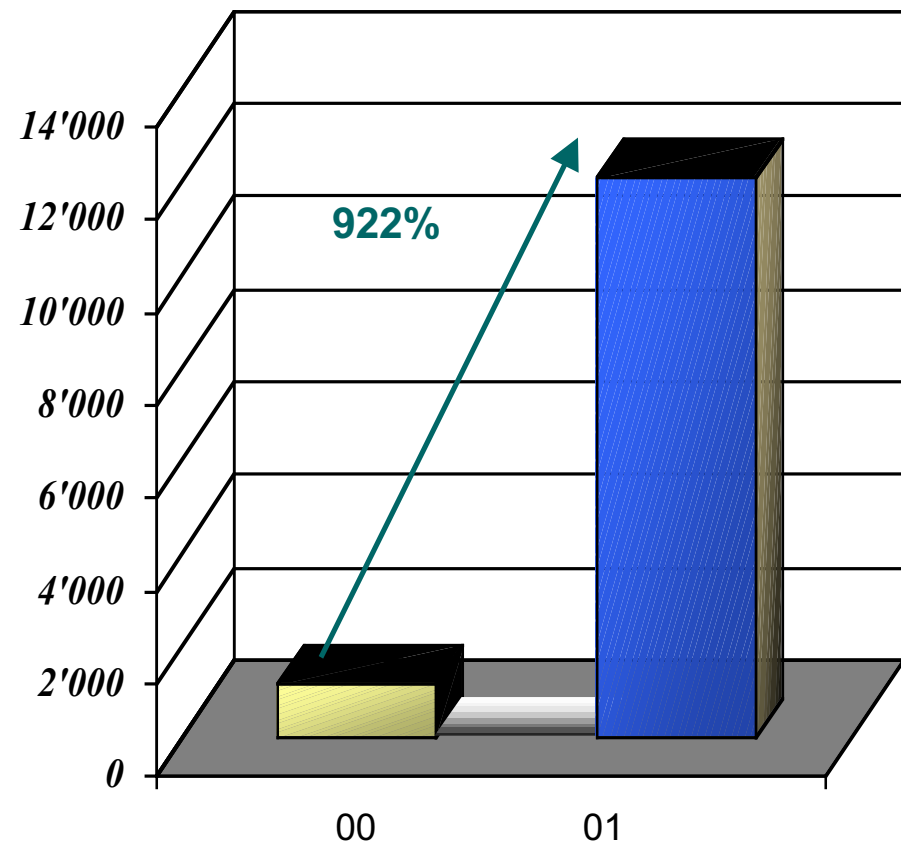
EBITDA - 10,830



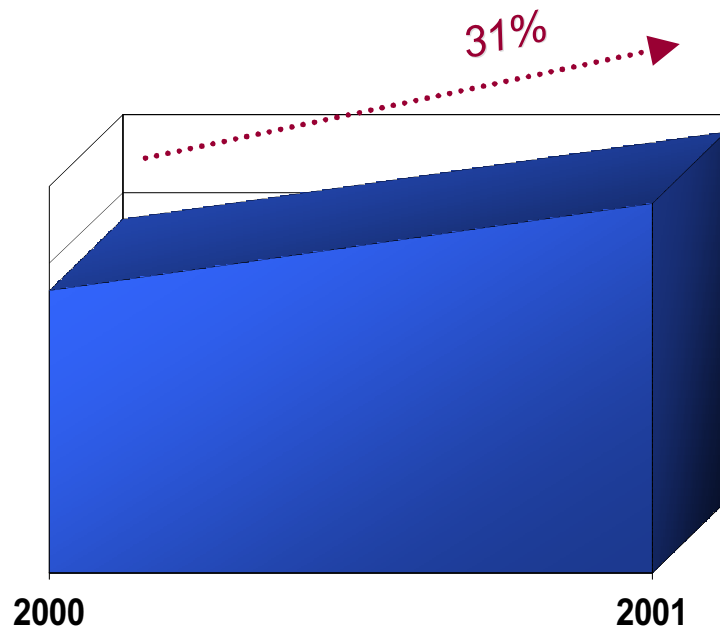
### EBIT - 9,032



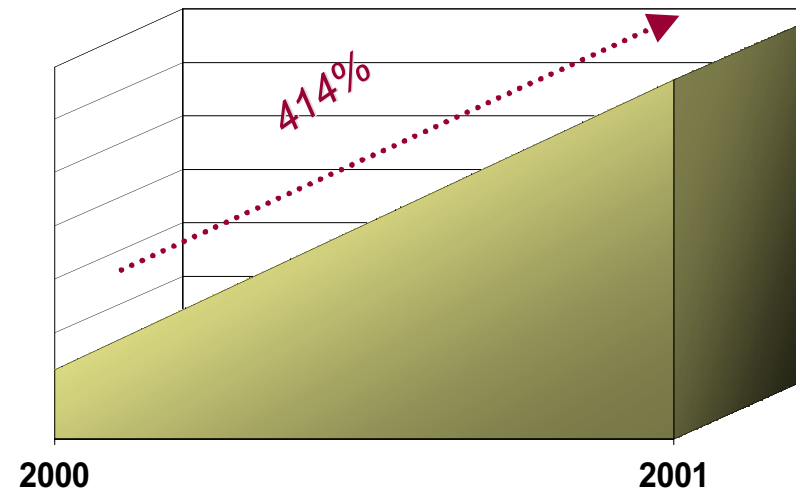
### Net Profit - 12,065



### Israel



### International

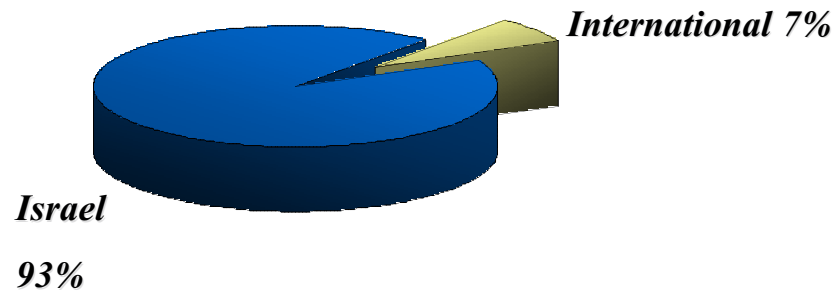




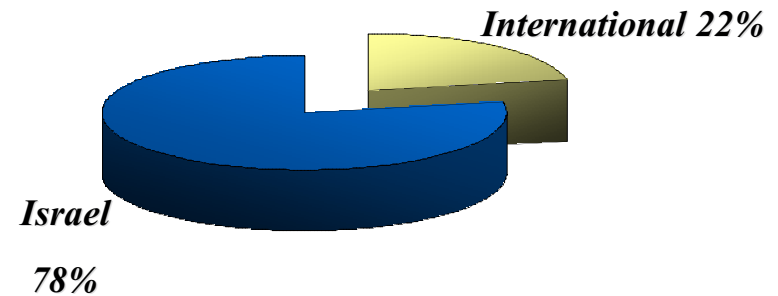
## Increasing international sales

22% of sales derived from international operations compared to 7% last year

**Geographical breakdown  
FY 2000**



**Geographical breakdown  
FY 2001**



- ◆ Formation of joint venture with Philips Medical Systems
- ◆ Product approvals and launches
- ◆ Opening of first medical monitoring center of PHTS in Switzerland
- ◆ Opening of second medical monitoring center of PHTS in Germany
- ◆ Acquisition of Bikurofe Ltd – 31.12.01.

### ◆ Product approvals and launches

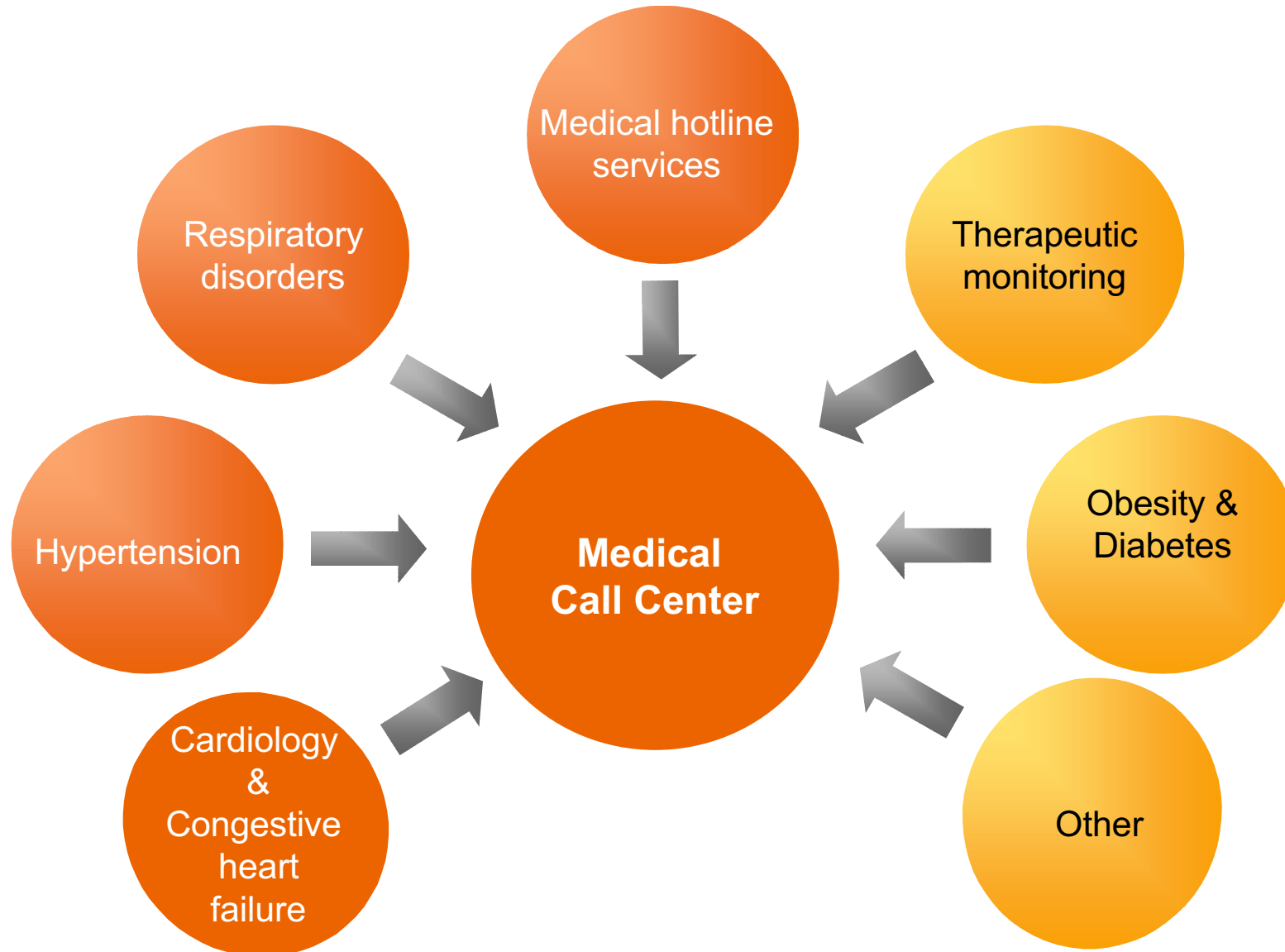
- CB 12/12 obtains FDA marketing clearance
- Cardio MC vision 7 obtains FDA marketing clearance
- Home Care Center obtains FDA marketing clearance
  - *Communication system linking client patients with diagnostic and monitoring services*
- Multi channel ECG receiver obtains FDA marketing clearance
- 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*
- Launch of TeleBreather
  - *Remote device designed to facilitate user-friendly diagnostic monitoring of patients with asthma and chronic pulmonary disease*
- TelePress III obtains FDA approval
- Launch of Swiss made WatchMan™ II

### Product pipeline 2002 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	H2 2001	✓
Watchman II	H2 2001	✓
New TelePulseOximeter	H1 2002	
Blood measurement device	H2 2002	
CHF pre-deterioration algorithm engine	H1 2003	
Innovative new ECG device	H2 2003	

A wide range of opportunities for the telemedicine industry



Expansion at home and international

# SHL JV with Philips Telemedicine - European Roll-out

- ◆ *Started operations in the beginning of September. Now - fully operational*
- ◆ *Location - Zurich, Switzerland*
- ◆ *Managing Director – Dr med Jacques –Henry Wiedmann.*
- ◆ *Chief Medical doctor – Dr. med. Urs Schneider*
- ◆ *Close cooperation with University hospital of Zurich*

## **Medical Advisory Board :**

- ◆ **Prof. Dr. med. Thomas Felix Lüscher**

*Chefarzt Departement für Innere Medizin (DIM) – Kardiologie  
Universitätsspital Zürich*

- ◆ **Prof. Dr. med. Georg Noll**

*Oberarzt Departement für Innere Medizin (DIM) – Kardiologie  
Universitätsspital*

- ◆ **Dr. med. Uwe Dürst**

- ◆ **Prof. Dr. jur. Moritz W. Kuhn**

*Prof. for private and insurance law Commercial Judge, Court of  
Zurich(Chamber “Banks and Insurances”) Partner with law firm  
Meyer – Müller – Eckert*



# SHL JV with Philips Telemedicine - European Roll-out

- ◆ *Started operations in November 2001.*
- ◆ *Now – fully operation.*
- ◆ *Location – Dusseldorf.*
- ◆ *Managing Director – Bradley Gould.*
- ◆ *Chief Medical doctor – Professor Korb.*



- ◆ *Prof. Dr. Ulrich Tebbe, Head of Cardiology/ Med. II, Klinikum Lippe-Detmold, 1. Vorsitzender ALKK (Arbeitskreis Leitender Kardiologischer Klinikärzte),.*

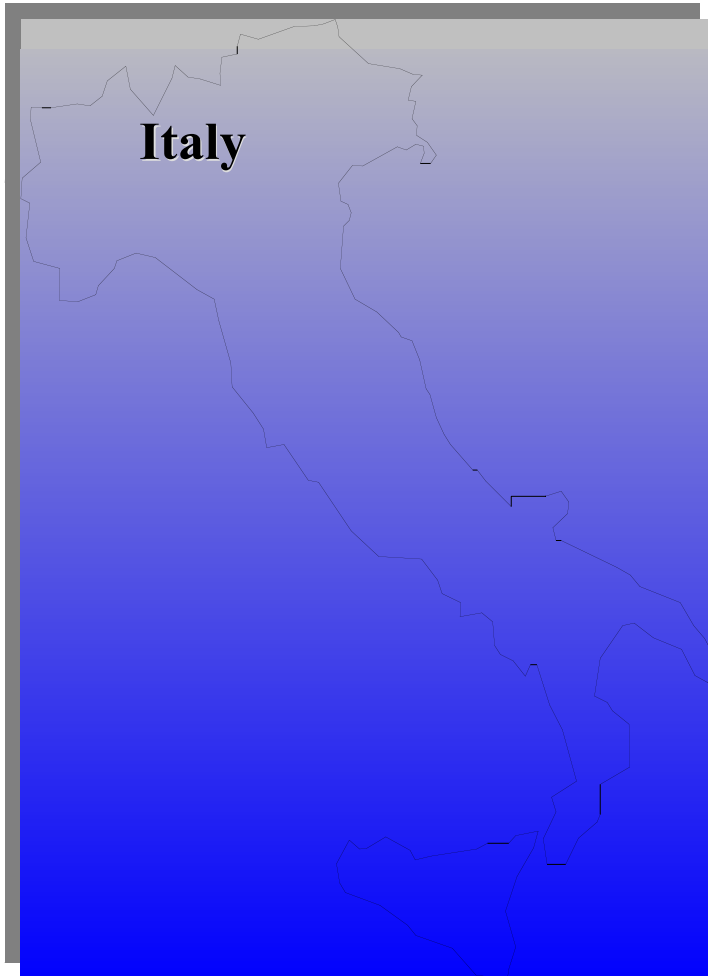
## **Medical Advisory Board :**

- ◆ *Prof. Dr. Louise Goedel-Meinen; Asst. Dir. Cardiology; Deutsches Herzzentrum München;*
- ◆ *Prof. Dr. Helmut U. Klein; Head of Cardiology; Medizinische Universitäts-Klinik Magdeburg; Zentrum für Innere Medizin / Klinik für Kardiologie*
- ◆ *Prof. Dr. Berndt Lüderitz; Head of Cardiology; Medizinische Universitäts-Klinik und Poliklinik*
- ◆ *Prof. Dr. Thomas Meinertz; Head of Cardiology; Universitäts-Krankenhaus Eppendorf medizinische Klinik und Poliklinik, Abt. Kardiologie*
- ◆ *Dr. med. Frank Sonntag Vorsitzender des Bundesverbandes der Niedergelassenen Kardiologen; Chairman of the Federal Association of Office-based Cardiologists)*
- ◆ *Prof. Elisabeth Steinhagen-Thiessen; Evangelisches Geriatrie-Zentrum*
- ◆ *Dr. Franz Theisen; Privatklinik Lauterbacher Mühle Deputy Chairman of the German Society of Cardiac Rehabilitation and Prevention.*
- ◆ *Prof. Dr. Med. Rainer Koerfer, Direktor der Klinik fuer Thorax und Kardiovaskularchirurgie, Herz und Diabetes Zentrum Nordrhein-Westfalen, Universitaetsklinik der Ruhr-Universitaet Bochum, Postfach*



# SHL JV with Philips Telemedicine - European Roll-out

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- ◆ *Start of operations December 2001.*
- ◆ *Will be fully operational in the first half of 2002.*
- ◆ *Location – Milan.*
- ◆ *Managing Director – Claudio Simmi*
- ◆ *Chief Medical doctor – Dr. med Giuseppe Gibbeli*
- ◆ *Medical Advisory Board – Renowned cardiologists have joined the Italian Medical Advisory Board among them the chief medical advisor Dr. Gronda - Humanitas Private accredited Hospital, Milan. Expert in CHF disease and involved in Regional Telemedicine Commission. High Scientific reputation*

- ◆ On December 2001 SHL purchased 100% of the share equity of Bikurofe Ltd – A leading Israeli medical hotline service.
- ◆ Bikurofe's revenues for 2001 were approximately 8.7M USD.
- ◆ SHL will pay approximately 7.8M USD in an all cash transaction (pending conditions).
- ◆ In this transaction, SHL was also guided by the following facts and assumptions:
  - Bikurofe is a living, reputable and profitable operation rendering services to relatively large numbers of clients.
  - Bikurofe has formerly been included in SHL's list of competitors (not a full competition).
  - The transaction enables SHL to widen its offering and employ cross sale to a large customer base.
  - SHL has the capability to implement telemedicine concepts and technologies in Bikurofe's operation.

### Entering the US Market



## Acquisition of Raytel Medical in the U.S.

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### ◆ Tender offer

- SHL TeleMedicine is offering to purchase all of the outstanding common stock of Raytel Medical Corp. for USD 10.25 net per share in cash
- Offer and Withdrawal rights will expire 12:00 midnight, New York City time, on March 21, 2002 (unless offer is extended)
- Directors and Officers of Raytel have agreed to tender their shares (approx. 6.4% of outstanding shares)

### ◆ Total price of approximately USD 31.1 million

### ◆ Transaction is not conditioned upon financing

- ◆ Incorporated in 1981
- ◆ Provider of healthcare services, focusing on the needs of patients with cardiovascular disease. It is considered to be the leading provider of remote pacemaker monitoring services in the United States, and provides other cardiac diagnostic services utilizing trans-telephonic monitoring technologies. Raytel also owns and operates a number of outpatient diagnostic imaging facilities and cardiovascular and nuclear cardiology diagnostic service facilities.
- ◆ ~617 full-time equivalent employees
- ◆ FY 2001 (ended September 30) Revenues – 71.3 million
- ◆ Q1 (ended December 2001)
  - Sales: 18.1 M USD
  - EBITDA 2.43 M USD
- ◆ Listed on Nasdaq (RTEL)

- ◆ Gives SHL access to an established customer base of about 162,000 customers throughout the U.S.
- ◆ Gives SHL access to a strong professional network with approx. 10,000 physicians and cardiologists
- ◆ SHL can integrate its services and products (FDA approved) into Raytel's existing platform
- ◆ Raytel's US organization immediately provides SHL with a profitable sales presence in the US
- ◆ Allows instant U.S. presence

### Financial Results 2001

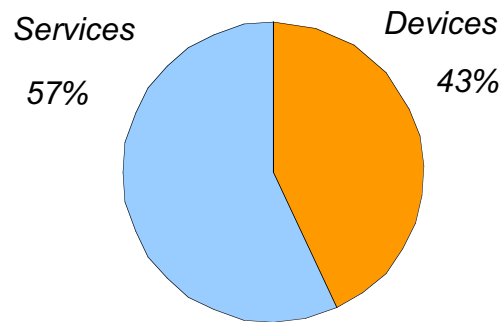


## Profit & Loss – 2001

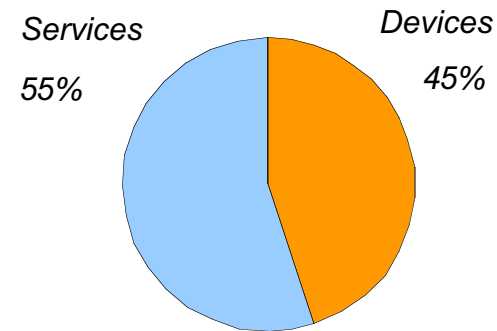
(USD 000s)	2000	2001	%GROWTH
<b>Revenues</b>	<b>19,537</b>	<b>30,615</b>	<b>56.7%</b>
<b>Gross Profit</b>	<b>11,905</b>	<b>19,979</b>	<b>67.8%</b>
Margin	60.9%	65.3%	
<b>EBITDA</b>	<b>5,716</b>	<b>10,830</b>	<b>89.5%</b>
Margin	29.3%	35.4%	
<b>EBIT (Operating Profit)</b>	<b>4,374</b>	<b>9,032</b>	<b>106.5%</b>
Margin	22.4%	29.5%	
<b>Profit before Tax</b>	<b>2,206</b>	<b>17,298</b>	<b>684.1%</b>
Margin	11.3%	56.5%	
<b>Net Profit</b>	<b>1,180</b>	<b>12,056</b>	<b>921.7%</b>
Margin	6.0%	39.4%	



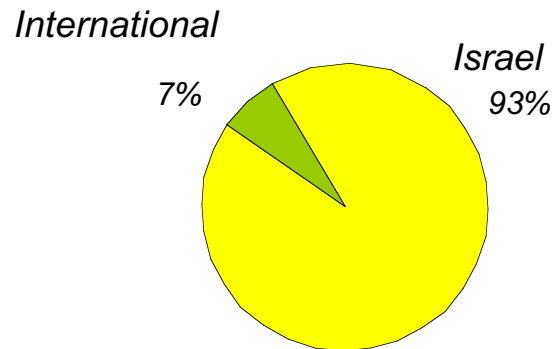
Revenue breakdown  
2000



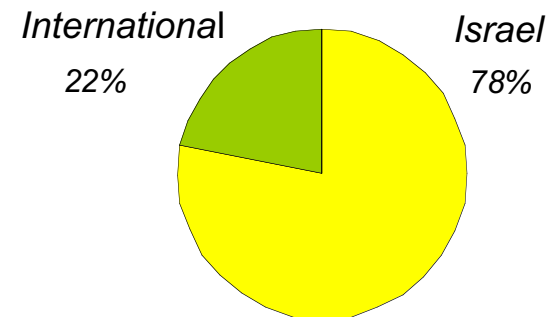
Revenue breakdown  
2001



Geographical breakdown  
2000



Geographical breakdown  
2001





## Balance Sheet

(USD 000s) 31/12/2000 31/12/2001

### Assets

Current assets	73,530	75,711
Long term assets	21,323	35,329
Fixed assets	2,257	2,666
Other assets, net	17,606	22,525
<b>Total assets</b>	<b>114,716</b>	<b>136,231</b>

### Liabilities and Shareholders' Equity

Current Liabilities	6,935	27,406
Long term liabilities	16,008	13,752
Shareholders' equity	91,773	95,073
<b>Total liabilities and shareholders' equity</b>	<b>114,716</b>	<b>136,231</b>

### Outlook 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

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

- ◆ Integrated technology/service provider
  - Fourteen year track record of technological innovation and medical call center 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
  - partnerships with Philips and Nestor provide SHL with superior scale, marketing clout with consumers

Q&A session



## Contact Information

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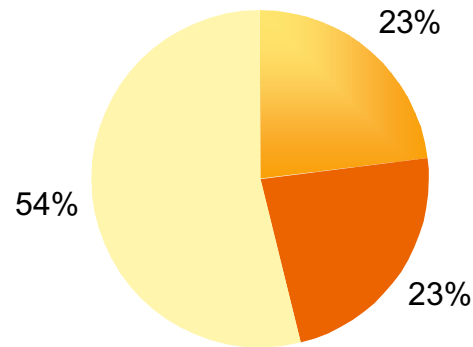
### Appendix



## Company overview

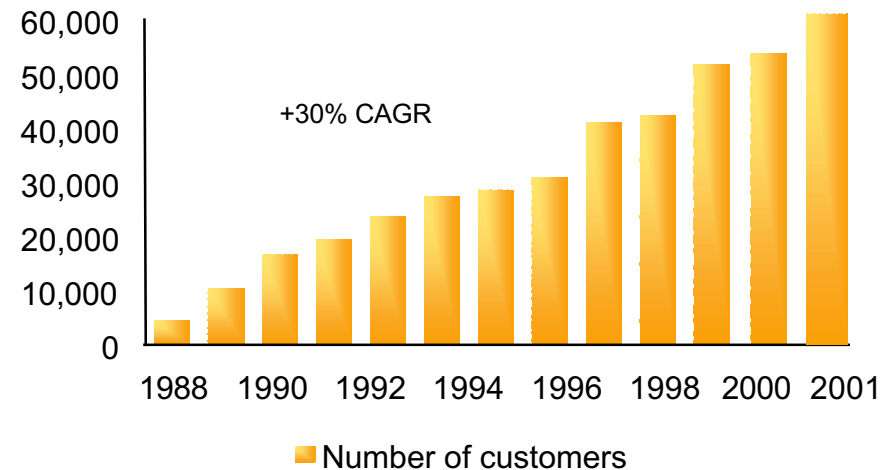
Over 14 years of experience operating as an integrated technology and service provider

Subscriber breakdown



■ At-risk ■ Worried-well ■ Cardiac patients

Number of subscribers



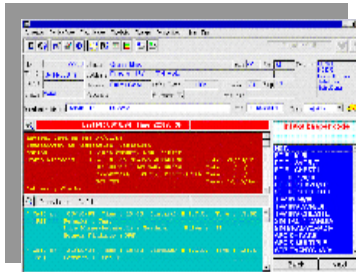
- ◆ Approximately 60,000 subscribers generate recurring revenues
- ◆ Subscriber growth of 30% (CAGR) for 1988-2000
- ◆ Forecasted growth in domestic market of 12-15% (CAGR) for 2001-2005

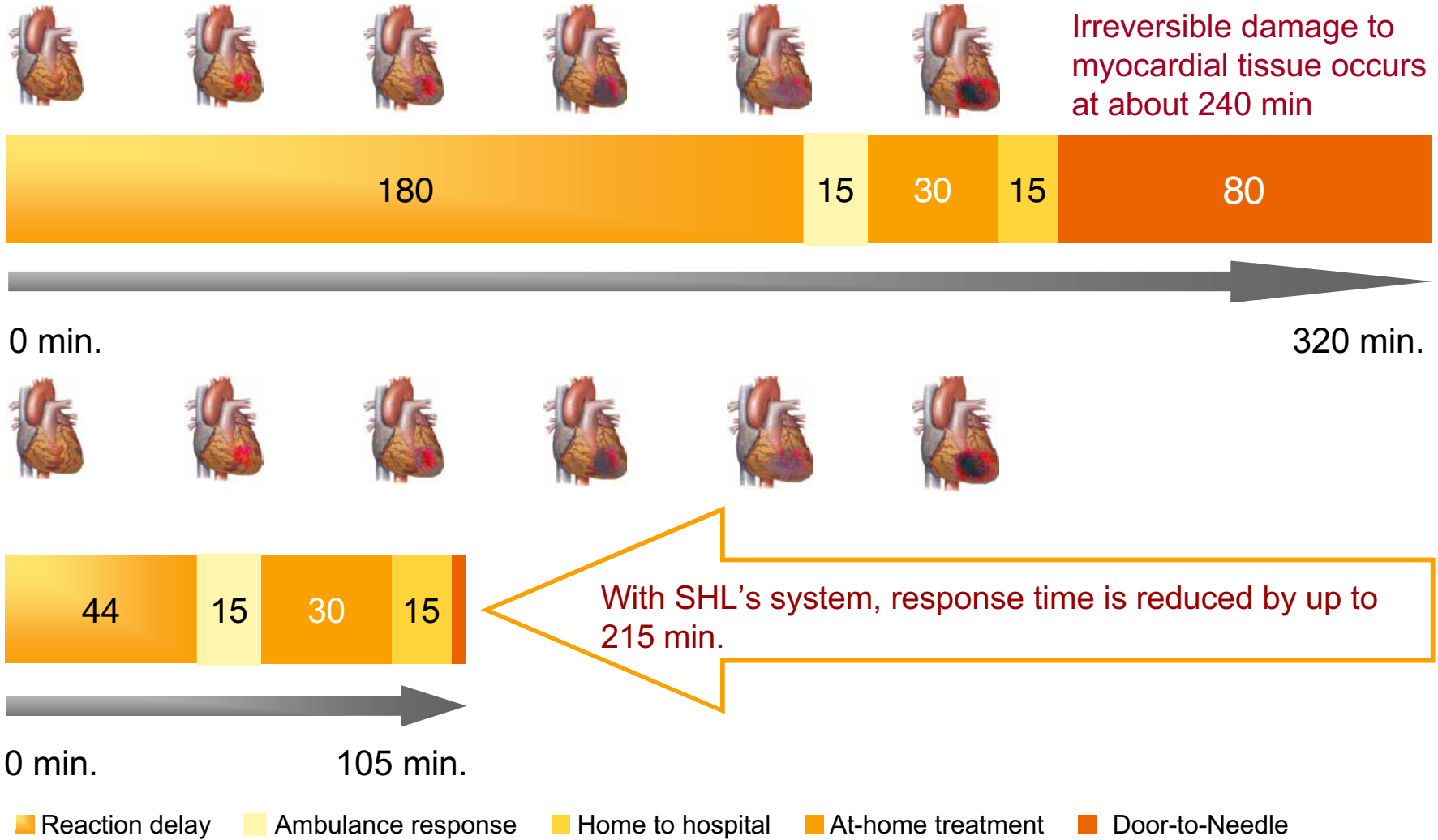
**We provide the technology and the logistics supporting the entire telemedicine process**



### Medical Call Center

- ◆ One of the largest medical call centers in the world with approximately
  - 60,000 subscribers
  - 290,000 total calls fielded annually
  - 150,000 ECG's analyzed annually
  - open 365 days a year, 24 hours a day
- ◆ Professional staff of physicians and nurses analyze transmitted patient data according to proprietary guidance protocols
- ◆ Full internet connectivity for properly authorized patients and providers
- ◆ Proprietary medical record management application
  - Handles all aspects of patient record management, from data reception and integration to production of activity and statistical reports



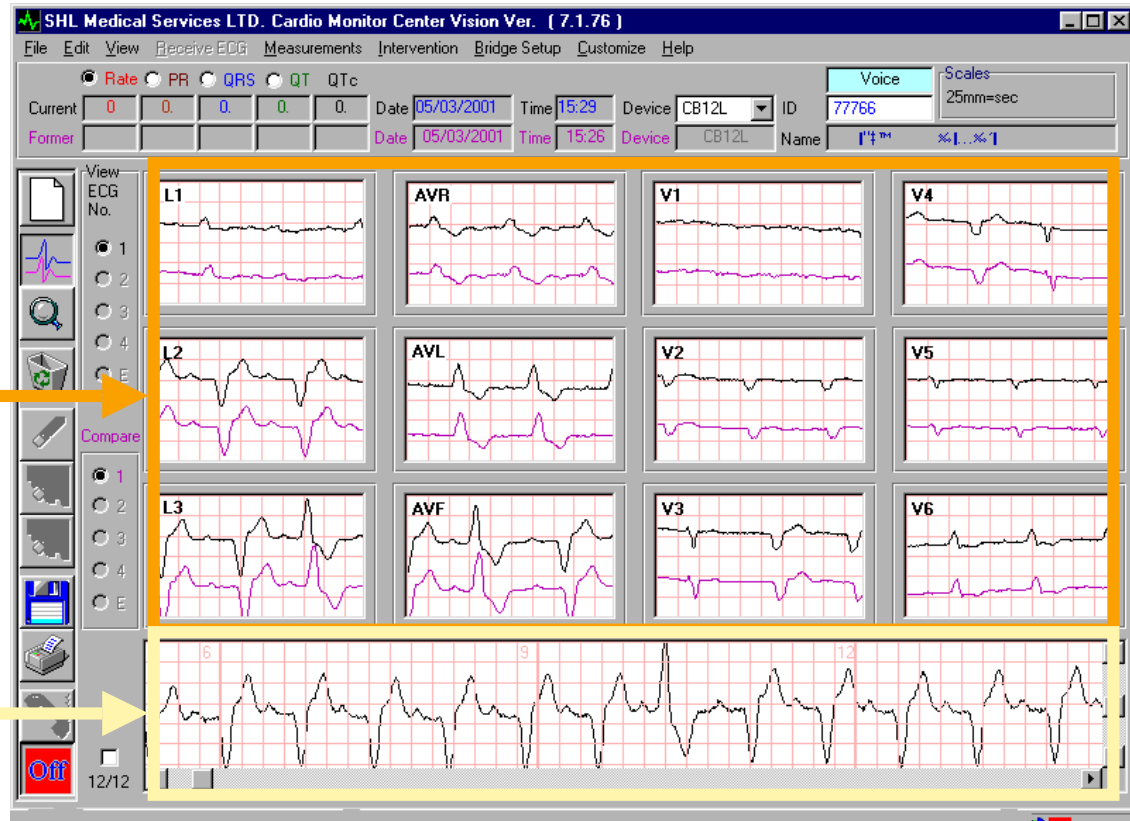


### Peace of mind, better care and cost efficiency

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



- ◆ **The CardioBeeper® 12/12**
- ◆ Transmits a complete ECG reading in 12 seconds
- ◆ Results are as accurate as standard clinical ECG readings
- ◆ FDA, CE Mark



### CardioPocket® 1L

- ◆ Leather wallet that serves as a 1-lead (rhythm strip) ECG transmitter
- ◆ FDA approved, CE Mark

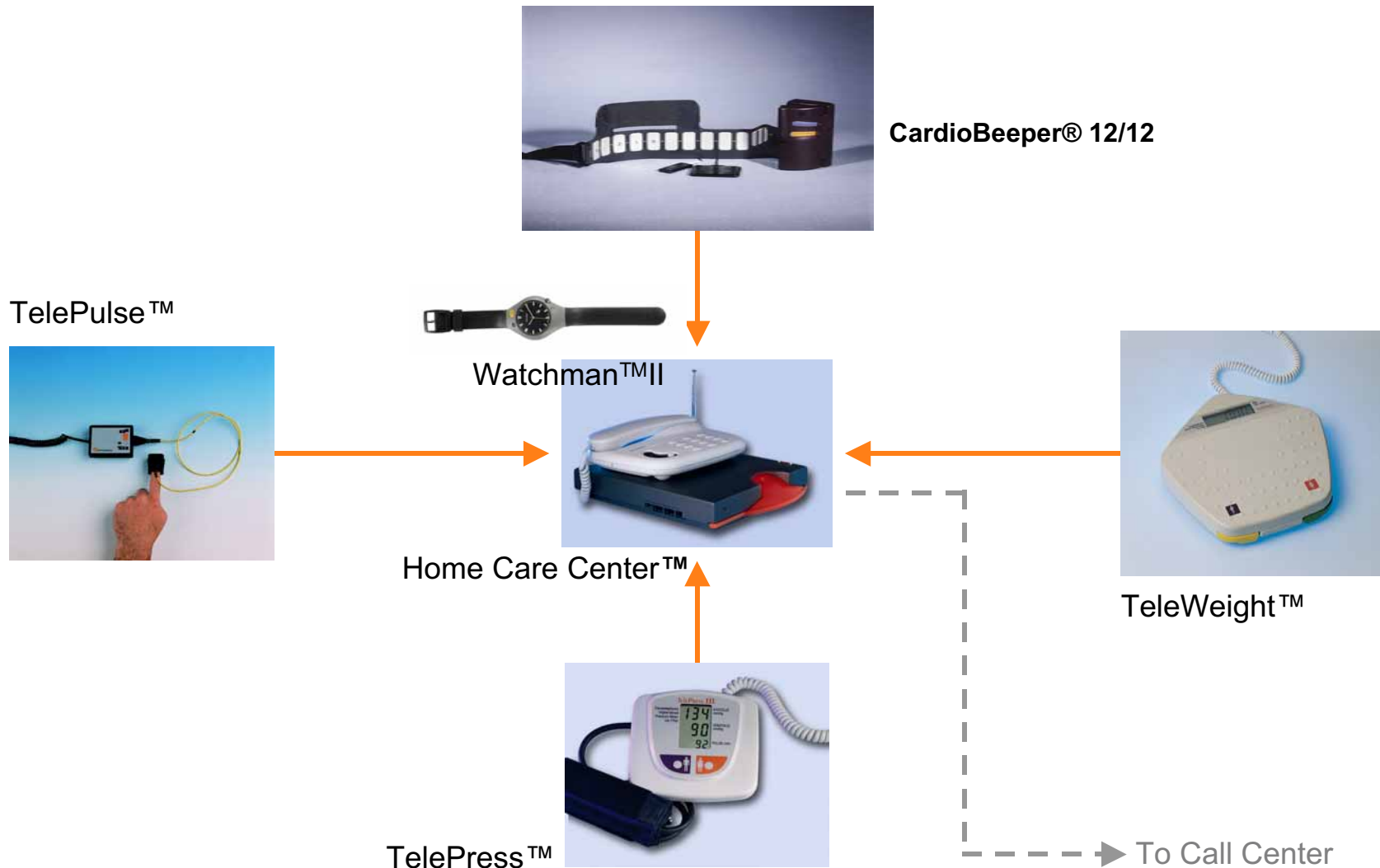


## SHL's impressive product line up

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<b>Product</b>	<b>Function/Intended use</b>
<b>CardioBeeper® 12/12</b>	User-friendly, hand-held 12 lead patient level ECG transmitter. Transmits a complete ECG reading in 12 seconds; FDA approved
<b>CardioBeeper® 12L</b>	User-friendly, hand-held 12 lead patient level ECG transmitter. Transmits a complete ECG reading in 42 seconds; FDA approved
<b>CardioPocket® 1L</b>	Leather wallet that serves a 1 lead ECG transmitter; FDA approved
<b>Home Care Center™</b>	Enables hand-free communication between the subscriber and remote monitor staff
<b>TelePress™</b>	Measures and transmits a blood pressure reading in conjunction with the Home Care Center unit
<b>TeleBreather™</b>	Pulmonary device which collects spirometry indices and transmits readings in conjunction with the Home Care Center unit; FDA approved
<b>TeleWeight™</b>	Measures and transmits weight related data. Used mainly for the monitoring of congestive heart failure
<b>Watchman™</b>	Emergency response system enabling 2-way speaker communication between a patient and call center staff. Also receives and transmits data from certain devices
<b>TeleDoor™</b>	Enables the unlocking of a patient's door from a remote location

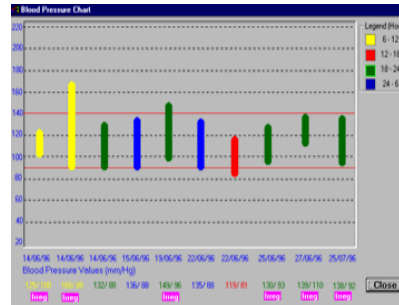
We offer the most complete product range for the monitoring of congestive heart failure







Cardio MC Vision module



Hypertension module



Pulmonary module



### Internet connectivity

- ◆ Provides patients and healthcare providers with real-time access to patient information from any location via the world wide web

### The advantages

- ◆ Offers real time remote monitoring capabilities to physicians
- ◆ Allows emergency care personnel ability to access patient records ahead of ambulance arrival, expediting registration process and reducing time to treatment
- ◆ Enables subscribers to take a more active role in their personal health management

- ◆ Highly favorable industry dynamics
  - attractive demographics
  - demonstrable cost savings and clinical benefits
  - expected 20% industry growth, large untapped markets
  - cardiovascular opportunity
  
- ◆ Integrated technology/service provider
  - proven operating model since 1987
  
- ◆ Demonstrated financial performance
  
- ◆ Strong partners validate business model and support expansion
  - Philips Electronics
  - Nestor Healthcare
  
- ◆ Unique business model

- ◆ IR Agenda
  - Q1: May 16
  - Q2: August 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 2001: 48/10.2
- ◆ Market capitalization high/low (CHF million) in 2001: 511.8/108.2
- ◆ Market capitalisation 31.12.01 (CHF million) in 2001: 243.7
- ◆ No dividends in the foreseeable future
- ◆ No voting restrictions