



SHL Telemedicine Q1 2011 Results 25 May 2011

Conference Call, 11.00 am CET - Dial-in numbers :

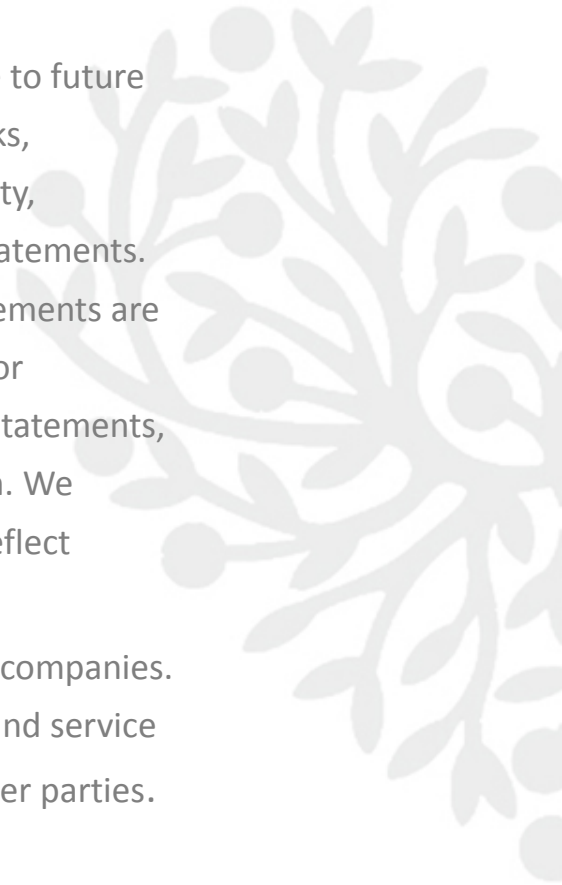
From Europe: +41 (0)91 610 56 00

From UK: +44 (0)203 059 58 62

From Israel: 1 80 921 44 27

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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, Germany and 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 70,000 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 2010



* excluding German subscribers



Financial Highlights

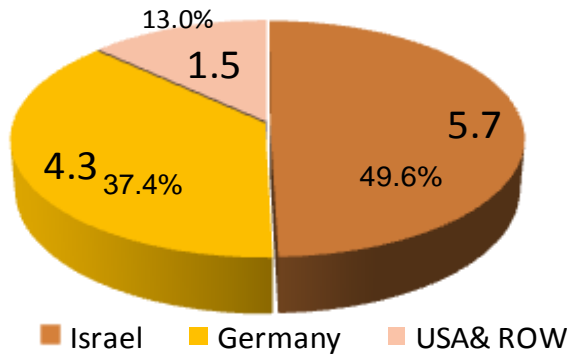
Q1 2011 results P&L

USD millions	Q1 2011	Q1 2010	% change	Q1 2011 (constant currency)	% change (constant currency)
Revenues	11.5	12.4	(7.3)%	11.3	(8.9)%
COGS	3.9	4.3	(9.3)%	3.8	(11.6)%
Gross Profit	7.6	8.1	(6.2)%	7.5	(7.4)%
<i>% of revenues</i>	66.1%	65.3%		66.4%	
Operating expenses	6.2	6.4	(3.1)%	6.1	(4.7)%
EBIT	1.4	1.7	(17.6)%	1.4	(17.6)%
<i>% of revenues</i>	12.2%	13.7%	-	12.4%	-
EBITDA	2.5	3.1	(19.4)%	2.6	(16.1)%
<i>% of revenues</i>	21.7%	25.0%	-	23.0%	-
Financial & other expenses (income)	0.1	(0.2)	<i>n.a.</i>	0.1	<i>n.a.</i>
Taxes on income	0.3	0.3	-	0.2	(33.3)%
Net income	1.0	1.6	(37.5)%	1.1	(31.3)%
EPS	0.10	0.15	(33.3)%	0.10	(33.3)%

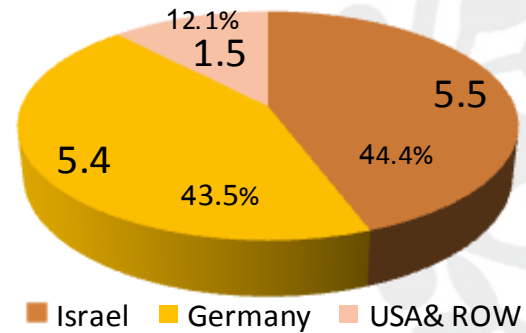
Constant currency exchange rates - In order to enable meaningful comparison between the 2011 and 2010 results, 2011 results are also presented at constant currency exchange rates. These are calculated by translating the 2011 results using the average exchange rates used for calculating the 2010 results 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.

Revenues by geographic distribution

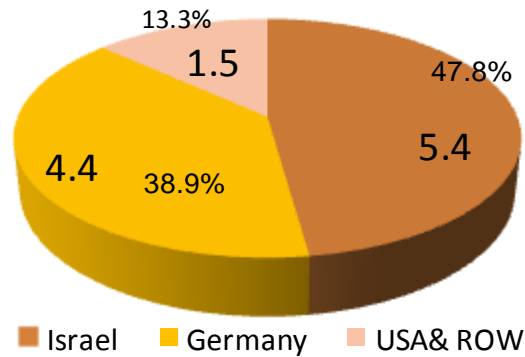
Q1 2011



Q1 2010



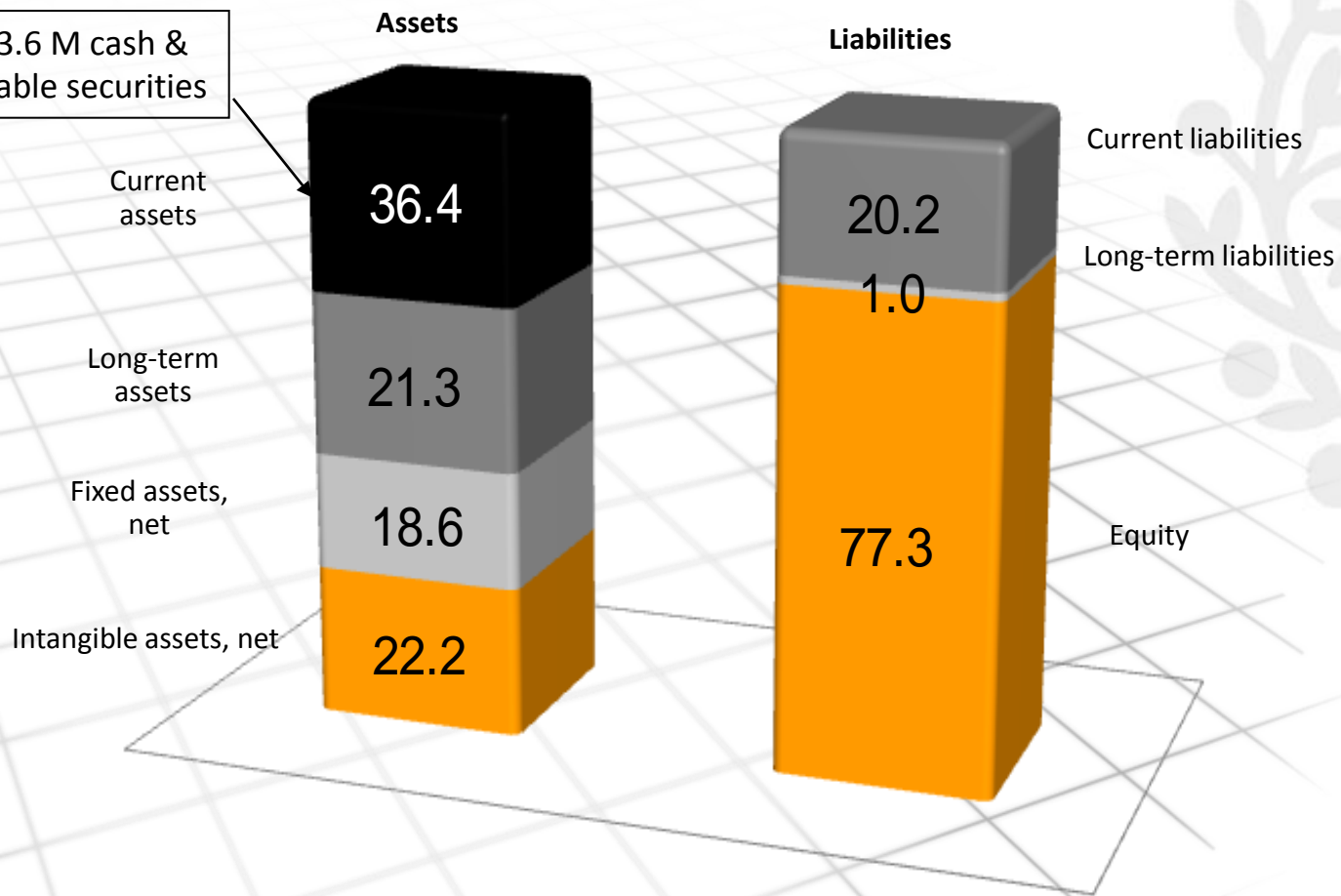
Q1 11 (constant currency)



In USD million

31.03.2011 balance sheet

USD 23.6 M cash & marketable securities



In USD million per 31 March 2011

Q1 2011 cash flow statements

USD millions	Q1 2011	Q1 2010	<i>Diff</i>	2010
Cash provided by (used in) Operating activities	(0.1)	0.6	(0.7)	3.0
Cash used in Investing activities (ex. marketable securities)	(1.3)	(1.6)	0.5	(6.1)
Cash provided by financing activities	5.0	1.6	3.4	2.0
Effect of exchange rate changes	(0.2)	(0.1)	(0.1)	1.2
Increase in cash, cash equivalents & marketable securities	3.4	0.5	2.9	0.1
Cash, cash equivalents & marketable securities at beginning of period	20.2	20.1	0.1	20.1
Cash, cash equivalents & marketable securities at end of period	23.6	20.6	3.0	20.2



Business Review

- TechCrunch Disrupt Battlefield in NY - World's most coveted innovation contest.
- Only 25 companies and startups were invited this year, after careful selection of over 500 applicants .
- Smartheart is SHL's latest innovation in the field of cardio telemedicine.
- Smartheart will transform smartphones such as iPhones, Androids and Blackberries into a Hospital-Grade ECG.
- Within 30 seconds, any end user is able to record a Hospital-Grade ECG and transmit it to his Doctor, Cardiologist, upload it to his Personal Health Record or send it to a hospital and get a medical diagnosis in real time.
- Smartheart can be used by anyone, anywhere, anytime, whether at home, in the office or on the road.
- Smartheart is the world smallest Hospital-Grade ECG that can be used by a non-professional end-user, is slightly bigger than an iPhone 4 and weighs slightly less than an iPhone 4.

Q1 2011 Business Review

- Germany:
 - As expected, diminution of patients leading to a decline in revenues and profitability.
 - Investing significant efforts on closing the major high value contracts of over USD 50M each with large German health insurers.
 - Continue to expect these to materialize during the second half of the year, leading to renewed growth by year end.
- Israel
 - Continued solid financial performance.
 - Provision of B2B services to Israeli health insurers progressing as expected.

SHL's 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 congestive heart failure, diabetes, COPD
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

SHL's Disease Focus

	Disease characteristics	Telemedicine solution
Cardiac events	<ul style="list-style-type: none"> • ~47% of people with coronary heart attack die (50% before reaching hospital) • ~10% of survivors die within 1 year • Many unnecessary hospitalizations: 80% of admitted patients have no MI 	<ul style="list-style-type: none"> • Major benefits <ul style="list-style-type: none"> - 24/7 emergency monitoring, peace of mind - Patients call earlier and damage to heart mussel is reduced • Tools: Cardio Sen'C or Cardio'B
Congestive heart failure (CHF)	<ul style="list-style-type: none"> • Heart failure most frequent reason for hospital admission in Germany • These hospitalization costs account for ~ 50% to 70% of the health costs of patients with heart failure 	<ul style="list-style-type: none"> • Major benefit <ul style="list-style-type: none"> - Stabilizing health of patients, better compliance - Significant cost reduction to health insurer • Tools: HomeCareCenter, TeleWeight, TelePress
Diabetes	<ul style="list-style-type: none"> • About 10% of Western population has diabetes, above age 60 even 18-28% • Risk of MI is 3.9-5.9 fold increased 	<ul style="list-style-type: none"> • Major benefit <ul style="list-style-type: none"> - Better metabolic control, quality of life, and less vascular complications - Significant cost reduction to health insurer • Tools: HomeCareCenter, Glucometer
Chronic Obstructive Pulmonary Disease (COPD)	<ul style="list-style-type: none"> • In Europe ~ 4% - 10% of adults have COPD, 75% of them are undiagnosed • Total cost of COPD in Europe approx. 50 bn a year 	<ul style="list-style-type: none"> • Major benefit <ul style="list-style-type: none"> - Significant cost reduction to health insurer by increasing compliance - Possibility to foresee potential attacks • Tools: HomeCareCenter, Respirometer



Thank you





Appendix

Investor information

Data

- IR Agenda 2011
 - 26 July AGM
 - 24 August Q2 results
 - 16 November Q3 results
- 10,783,766 registered shares with a par value of NIS 0.01 each
- Listed at SIX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957
- Price high/low (CHF), 2011 7.55/6.26
- Market cap high/low (CHF m), 2011 81.4/6.5
- Market cap 31.03.11 (CHF m) 71.0
- No voting restrictions

Contacts

Erez Alroy, Co-CEO

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Erez Alroy has been an executive manager of SHL since its inception. Prior to his current position as Co-CEO he served as SHL Israel's managing director and as SHL Israel's sales manager and vice-president of marketing. Erez Alroy holds an MBA from the Hebrew University, Jerusalem.

Eran Antebi, CFO

erana@shl-telemedicine.com



Eran Antebi joined SHL in May 2004 as CFO of Shahal Israel and was appointed CFO of SHL in May 2008. Prior to joining SHL, he was a manager with Ernst & Young in Israel. Eran Antebi is a certified public accountant (CFA) in Israel and has a B.A. in accounting and economics from the University of Tel Aviv.