

Results Q1 2003

Conference Call

20 May 2003, 11 a.m. (CET)

Dial-in numbers:

| | |
|--------------------|------------------|
| from Europe/Israel | +41 91 610 5600 |
| from UK | +44 207 866 4111 |
| from USA | +1 412 858 4600 |

Section 1 Business Review

Section 2 Financials

Section 3 Outlook

Business Review

Company Profile

- ◆ World leading telemedicine service provider
- ◆ Integrated provider of services, products and strong IT
- ◆ Proven and unique business model since 1987
- ◆ Treating hundreds of thousands of patients annually, with ~1,200,000 ECG transmissions to our medical call centers
- ◆ Key markets
 - own operations in the U.S. and Israel
 - via JV in Germany, Italy, Switzerland

Key figures FY 2002 (USD M)

- ◆ Revenues 89.8
- ◆ EBITDA 18.1
- ◆ Ebit 11.7
- ◆ Net income 1.4
- ◆ Employees 1,389
- ◆ Customers > 250,000

Flagship product
 Cardio Beeper® 12/12





Key Figures – Q1 (in USD M)

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| | Q1/02 | Q1/03 | % |
|-------------------|----------|----------|--------|
| Revenues | 9.7 | 25.6 | 164.3 |
| Ebitda | 2.4 | 4.5 | 83.6 |
| Ebit | 1.8 | 2.5 | 34.5 |
| Net Income | 4.7* | 0.5 | (89.4) |
| EPS | USD 0.44 | USD 0.05 | |

*Includes extraordinary finance gains

- ◆ Margins in the US market improved
- ◆ “Thin for life” progressing well, considered an important growth factor
- ◆ Progress of signing-up new subscribers in Europe continued
- ◆ 70 000 subscriber-line in Israel exceeded
- ◆ Results Q1 2003 in line with expectations

Financials



Profit & Loss

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| (USD 000s) | Q1/2002 | Q1/2003 | % GROWTH |
|--------------------------------|--------------|---------------|----------|
| Revenues | 9,681 | 25,583 | 164.3% |
| Gross Profit | 5,077 | 11,739 | 131.2% |
| Margin | 52.4% | 45.9% | |
| EBITDA | 2,444 | 4,486 | 83.6% |
| Margin | 25.2% | 17.5% | |
| EBIT (Operating Profit) | 1,827 | 2,458 | 34.5% |
| Margin | 18.9% | 9.6% | |
| Profit before Tax | 6,690 | 1,345 | -79.9% |
| Margin | 69.1% | 5.3% | |
| Net Profit | 4,717 | 502 | -89.4% |
| Margin | 48.7% | 2.0% | |
| EPS | USD 0.44 | USD 0.05 | |

| (USD 000s) | 31/12/2002 | 31/3/2003 |
|---|----------------|----------------|
| Assets | | |
| Current assets | 97,810 | 96,503 |
| Long term assets | 47,314 | 50,606 |
| Fixed assets | 11,441 | 12,439 |
| Other assets | 51,327 | 51,178 |
| Total assets | 207,892 | 210,726 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | 71,120 | 74,372 |
| Long term liabilities | 44,712 | 43,031 |
| Minority interest | 1,601 | 1,797 |
| Shareholders' equity | 90,459 | 91,526 |
| Total liabilities and shareholders' equity | 207,892 | 210,726 |

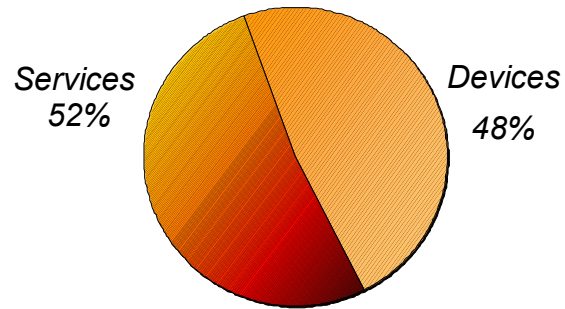


Consolidated Cash Movement

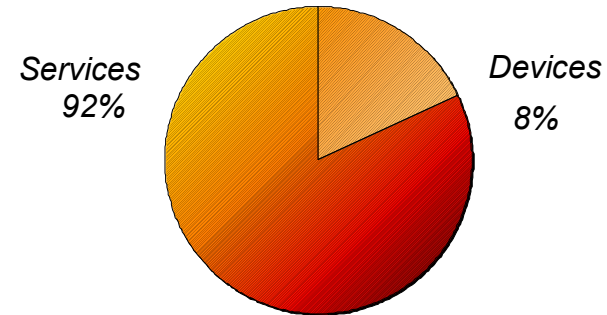
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| (USD 000s) | Q1/2002 | Q1/2003 |
|--|----------------|---------------|
| Cash flow from operating activities | 7'051 | -5'134 |
| Capital expenditure (ex.deposits) | -6'082 | -1'508 |
| Financing activities -net | 26'288 | -688 |
| Effect of exchange rate changes | -3'389 | 24 |
| Cash movement | 23'868 | -7'306 |
| Cash & deposits - beginning of the year | 60'187 | 51'819 |
| Cash & deposits - end of the period | 84'055 | 44'513 |
| Cash received through loans for the acquisition of Raytel | -24'000 | - |
| Cash & deposits - end of the period | 60'055 | 44'513 |

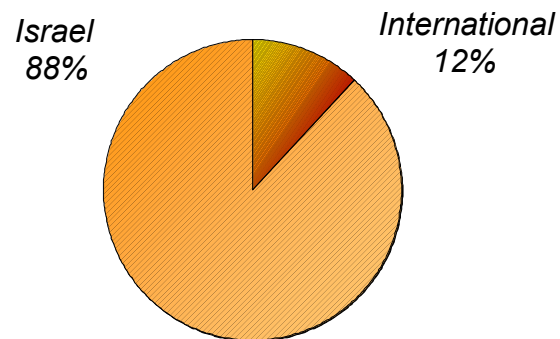
**Revenue breakdown
Q1- 2002**



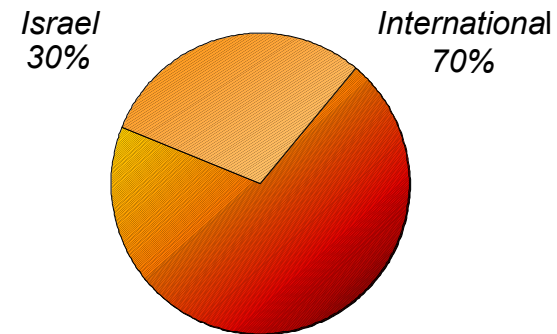
**Revenue breakdown
Q1 - 2003**



**Geographical breakdown
Q1 - 2002**



**Geographical breakdown
Q1 - 2003**



Outlook

- ◆ Growth and profitability focus in the USA / Raytel
 - use Raytel as a platform for SHL products and services
 - further increase productivity
- ◆ Examining opportunities for selected acquisitions
- ◆ Continue European expansion with the JV
- ◆ Introduce new products and/or services through technological innovation
- ◆ Maintain leading market share in home market Israel
- ◆ Guidance 2003: top line / growth of 20-30%, with EBIT margins 12%-15% and EBITDA margins 18%-22%

- ◆ IR Agenda
 - Q2 2003: August 20, 2003
 - Q3 2003: November 20, 2003

- ◆ 10,663,373 registered shares with a par value of NIS 0.01 each

- ◆ Listed at SWX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957

- ◆ Market price high/low (CHF) in Q1 2003: 8.1/4.0

- ◆ Market capitalization high/low (CHF million) in Q1 2003: 86.3/42.6

- ◆ Market capitalization 31.03.03 (CHF million): 60.2

- ◆ No voting restrictions



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