

Press Release

SHL TeleMedicine divests Bikurofe Ltd., its Israeli outpatient clinics and doctor visit services. SHL expects to record a capital gain of around USD 9 million.

Tel Aviv/Zurich, July 5, 2005 – SHL TeleMedicine Ltd., announces that it has entered into an agreement to sell Bikurofe Ltd., its Israeli outpatient clinics and doctor visit services, which it acquired in December 2001, to IEL Israel Equity Ltd. for USD 14.7 million. IEL Israel Equity Ltd. is an Israeli investment corporation. The transaction is expected to close in the coming weeks.

The divestiture of Bikurofe is in line with SHL's stated strategy to focus on its core telemedicine activities. Based on the recent progress of its international telemedicine operations, SHL is concentrating on the growth opportunities in Germany and the U.S.

SHL will also receive from Bikurofe payment of previously announced dividends and other debts in the amount of USD 4.3 million and will continue to render various services to Bikurofe for a total amount of USD 1.5 million.

SHL is expected to record in the third quarter of 2005 a capital gain of around USD 9 million from the divestiture. SHL will utilise the proceeds from the sale to grow its international telemedicine businesses, mainly in Germany, and to reduce outstanding loans.

About SHL TeleMedicine

SHL TeleMedicine Ltd. is a leading provider and developer of advanced personal telemedicine solutions as well as medical call center and diagnostic services to individuals and to the healthcare community. As a leading provider of remote health services in cardiology and in other medical areas, SHL maintains business operations in the US, Europe and Israel. SHL is listed on the SWX Swiss Exchange, symbol SHLTN. For more information please visit our web site on www.shl-telemedicine.com.

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