



**SHL Telemedicine
Q3/9M 2011 Results
29 November 2011**

Conference Call, 11.00 am CET - Dial-in numbers :
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Forward Looking Statements



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SHL at a Glance



- 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
- Technological innovation; ongoing development of IT based services and solutions
- Active in Israel, Germany and USA
- Listed on the Swiss Stock Exchange (Zurich)

Telemedicine innovator

Medical monitoring centre

Congestive Heart Failure

B2C and B2B

Diabetes

COPD

Israel

ECG monitoring



smartheart

Germany

SIX Swiss Exchange

1.5 million transmissions p.a.

Q3 Business and Financial Update



- Germany:
 - Adapted our capacity to reflect reduced ongoing operations
 - Making major steps forward in completing significant contracts with a number of healthcare insurers.
- Israel:
 - Operations are continuing to provide a solid platform
 - Continue producing good financial performance
- Although revenues declined during the period operating margins remained fairly steady thanks mainly to significantly lower investments in the consumer market initiatives and streamlining operations in Germany

Q3 Business and Financial Highlights



- Dividend of USD 0.66 per share paid on September 23, 2011 , totaling USD 6.9 million
- Approved share repurchase of an additional USD 2 million
- Received Long-term loans of USD 29.3 million (NIS 100 million) from financial institutions. Loans spread over an 8 year term, are denominated in NIS, bear an annual interest of 3.8%-3.9% and are linked to the Israeli CPI

Q3 2011 Results



USD millions	Q3 2011	Q3 2010	% change	Q3 2011 (constant currency)	% change (constant currency)
Revenues	10.2	12.4	(17.7)%	9.4	(24.2)%
COGS	3.8	4.2	(9.5)%	3.5	(16.7)%
Gross Profit	6.4	8.2	(22.0)%	5.9	(28.0)%
<i>% of revenues</i>	62.7%	66.1%		62.8%	
Operating expenses	5.3	6.9	(23.2)%	4.9	(29.0)%
EBIT	1.1	1.3	(15.4)%	1.0	(23.1)%
<i>% of revenues</i>	10.8%	10.5%		10.6%	
EBITDA	2.3	2.7	(14.8)%	2.1	(22.2)%
<i>% of revenues</i>	22.5%	21.8%		22.3%	
Financial & other expenses (income)	(0.6)	0.4	n.a.	(0.6)	n.a.
Taxes on income	0.3	0.1	200.0%	0.2	100.0%
Net income	1.4	0.8	75.0%	1.4	75.0%
EPS	0.14	0.08	75.0%	0.14	75.0%

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.

9M 2011 Results

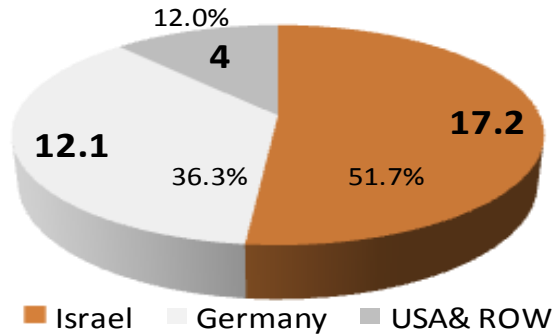


USD millions	9M 2011	9M 2010	% change	9M 2011 (constant currency)	% change (constant currency)
Revenues	33.3	36.7	(9.3)%	31.3	(14.7)%
COGS	11.8	12.3	(4.1)%	11.0	(10.6)%
Gross Profit	21.5	24.4	(11.9)%	20.3	(16.8)%
<i>% of revenues</i>	64.6%	66.5%		64.9%	
Operating expenses	17.6	19.9	(11.6)%	16.4	(17.6)%
EBIT	3.9	4.5	(13.3)%	3.9	(13.3)%
<i>% of revenues</i>	11.7%	12.3%		12.5%	
EBITDA	7.6	8.6	(11.6)%	7.3	(15.1)%
<i>% of revenues</i>	22.8%	23.4%		23.3%	
Financial & other expenses (income)	(0.4)	(0.4)	-	(0.4)	-
Taxes on income	0.7	1.0	(30.0)%	0.7	(30.0)%
Net income	3.6	3.9	(7.7)%	3.6	(7.7)%
EPS	0.35	0.37	(7.7)%	0.35	(7.7)%

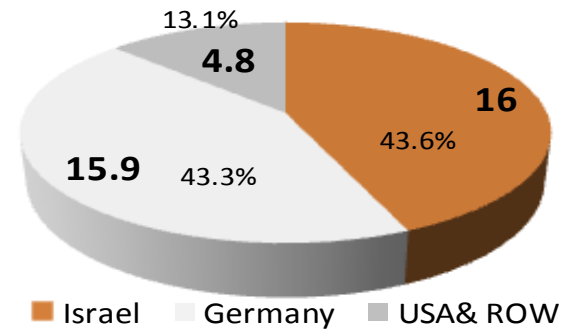
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Revenues by Geographic Distribution

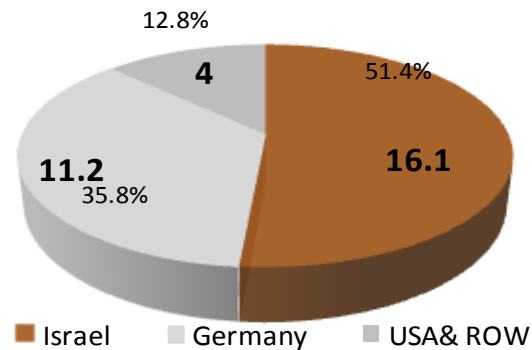
9M 2011



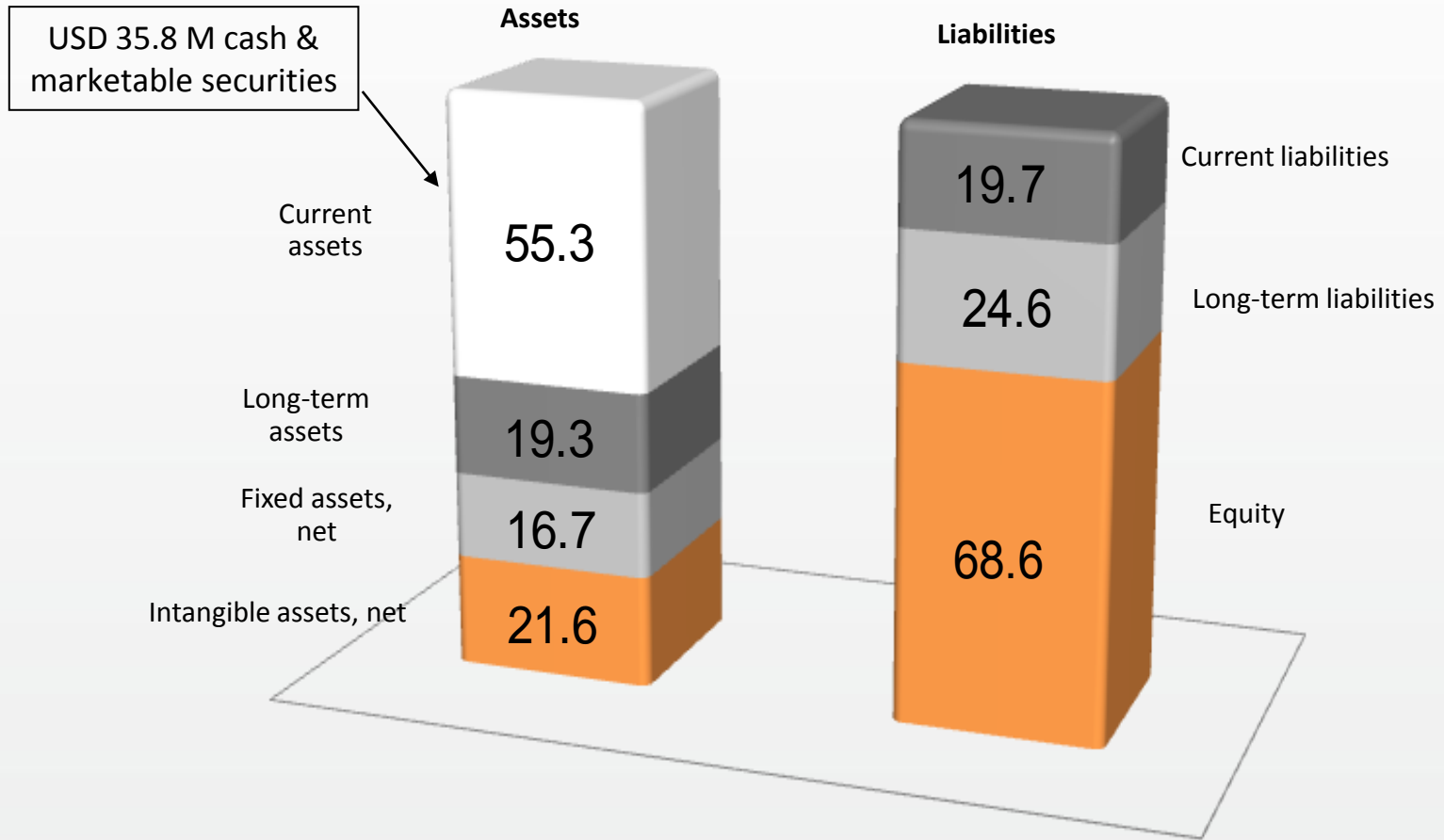
9M 2010



9M11 (constant currency)



30.09.2011 Balance Sheet



Q3 2011 Cash Flow Statements



USD millions	Q3 2011	Q3 2010	Diff	2010
Cash provided by (used in) Operating activities	(2.4)	0.5	(2.9)	3.0
Cash used in Investing activities (ex. marketable securities)	(1.1)	(1.7)	0.6	(6.1)
Cash provided by financing activities	19.9	0.6	19.3	2.0
Effect of exchange rate changes	(2.7)	0.9	(3.6)	1.2
Increase in cash, cash equivalents & marketable securities	13.7	0.3	13.4	0.1
Cash, cash equivalents & marketable securities at beginning of period	22.1	19.6	2.5	20.1
Cash, cash equivalents & marketable securities at end of period	35.8	19.9	15.9	20.2

9M 2011 Cash Flow Statements



USD millions	9M 2011	9M 2010	Diff	2010
Cash provided by (used in) Operating activities	(4.4)	4.0	(8.4)	3.0
Cash used in Investing activities (ex. marketable securities)	(4.2)	(5.1)	0.9	(6.1)
Cash provided by financing activities	26.3	0.5	25.8	2.0
Effect of exchange rate changes	(2.1)	0.4	(2.5)	1.2
Increase in cash, cash equivalents & marketable securities	15.6	(0.2)	15.8	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	35.8	19.9	15.9	20.2



Thank You

... the original idea keeps evolving: shape the medicine of tomorrow

Profile

Origin

Provide piece of mind

- Provide immediate help for people with heart attacks
- IT based 24/7 monitoring centre significantly reducing response time, saving lives

Evolution

The consumer has it all

- Growing consumerism in health related matters
- Paradigm shift thanks to internet, mobile telecom infrastructure and smartphones

New markets

Increase compliance, reduce costs improve quality of living

- Services to health insurers for chronically ill patients
- Consumer services
- Develop services in new disease areas

Tomorrow

Remote access to 1st class medicine, anywhere, anytime

- Smartphone platform based devices
- Offering support for acute event and other medical information and needs
- Accessible from everywhere anytime

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"> - Emergency response without need to go to hospital - Peace of mind/improved quality of life - Life saving • Tools: Cardio Sen'C/ Cardio'B/Smarterheart
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 benefits <ul style="list-style-type: none"> - Stabilizing health of patients, improved compliance - Significant cost reduction for health insurer - Peace of mind/improved quality of life • 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 benefits <ul style="list-style-type: none"> - Better metabolic control and less vascular complications - Significant cost reduction for health insurer - Peace of mind/improved quality of life • 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 benefits <ul style="list-style-type: none"> - Significant cost reduction to health insurer by increasing compliance - Possibility to foresee potential attacks - Peace of mind/improved quality of life • Tools: HomeCareCenter, Respirometer

Data

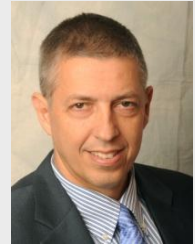
- IR Agenda 2012
 - 28 March FY 2011
 - 30 May Q1 results
 - 12 June AGM
 - 22 August Q2 results
 - 21 November Q3 results
- 10,784,257 registered shares with a par value of NIS 0.01 each
- Listed at SIX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957
- Price high/low (CHF), 2011 7.55/4.0
- Market cap high/low (CHF m), 2011 81.4/43.1
- Market cap 30.09.11 (CHF m) 46.7
- 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.

