



Press release

SHL Telemedicine Reports Half Year 2015 Financial Results

- *Adjusted Revenues⁽¹⁾ of USD 22.3 million (up 25.4% in constant currency to USD 26.2 million)*
- *Adjusted EBITDA⁽²⁾ of USD 5.6 million (USD 6.7 million in constant currency)*
- *Adjusted EBIT⁽²⁾ of USD 3.2 million (USD 4.1 million in constant currency)*
- *Shanghai Jiuchuan Investment (Group) Co., Ltd. to acquire SHL Telemedicine Ltd. for CHF 10.5 in cash per share. The completion of the transaction, which is subject to shareholder approval and additional customary closing conditions, is planned for October 2015.*

Tel Aviv/Zurich, 31 August 2015 - SHL Telemedicine Ltd. (SIX Swiss Exchange: SHLTN, OTCPK: SMDCY), a leading provider and developer of advanced personal telemedicine solutions, today announced results for the six months ended 30 June 2015.

Adjusted revenues⁽¹⁾ for the first six months amounted to USD 22.3 million compared with USD 20.9 million in the first six months of 2014, an increase of 6.7%. At constant exchange rates* revenues were USD 26.2 million, up 25.4%. GPH's results are consolidated from April 1, 2015.

Adjusted EBITDA⁽²⁾ amounted to USD 5.6 million and adjusted EBIT⁽²⁾ to USD 3.2 million compared with adjusted EBITDA of USD 3.9 million and adjusted EBIT of USD 1.3 million in the first half-year 2014. Adjusted net income⁽²⁾ for the half-year amounted to USD 2.3 million compared with USD 0.8 million in the respective period in 2014.

Cash provided by operating activities improved significantly in the first six months of 2015 and amounted to USD 4.4 million compared with cash used in operations of USD 3.3 million in the first half of 2014.

In Germany, SHL continued to strengthen its position as the leading provider of telehealth services with the acquisition of GPH (Gesellschaft für Patientenhilfe), based in Munich, concluded at the end of March. GPH's results of operation are consolidated from April 1, 2015. In addition SHL initiated the unification of its telemedicine monitoring centers in Germany so that the Dusseldorf monitoring center will be absorbed in Munich with restructuring costs accrued during the period. In Israel, SHL's loyal subscriber base continues to show high satisfaction rates from the personal consumer services bringing with it continued strong financial performance. In Japan, SHL signed in March a



distribution agreement for the smartheart™ device with USCI Holdings, Inc., of Japan with a target of buying at least 1,000 smarthearts™ until the end of 2016. USCI's focus will be on the physicians and the professional market, goal is to build credibility for the smartheart in the Japanese healthcare community. In the US, SHL signed in May an international distribution agreement for smartheart™ with FUJIFILM SonoSite, Inc. FUJIFILM SonoSite will distribute the smartheart™ to its professional healthcare customers in the US, Japan and Germany, using its point-of-care ultrasound solutions.

Subsequent events

On July 27, 2015 SHL announced that Shanghai Jiuchuan Investment (Group) Co., Ltd. was to acquire SHL Telemedicine Ltd. Shareholders in SHL are to receive CHF 10.5 in cash per share. The completion of the transaction, which is subject to shareholder approval and additional customary closing conditions, is planned for October 2015.

The full Half year Report is available on: <http://www.shl-telemedicine.com/about-us/investorrelations/financial-reports-pres-2015/>

Financial Highlights

in USD million (except per share amounts)

	H1 2015	H1 2014	% change	H1 2015 (constant currency)	% change (constant currency)
Revenues	21.1	20.9		24.7	
Additional revenues (1)	1.2	0.0		1.5	
Adjusted revenues	22.3	20.9	6.7%	26.2	25.4%
Adjusted EBIT (2)	3.2	1.3	146.2%	4.1	215.4%
%	14.3%	6.1%		15.6%	
Adjusted EBITDA (2)	5.6	3.9	43.6%	6.7	71.8%
%	25.2%	18.7%		25.6%	
Adjusted Net income (2)	2.3	0.8	187.5%	3.0	275.0%
	10.3%	3.7%		11.5%	
Basic Adjusted EPS	0.20	0.06		0.26	

Constant currency - In order to enable meaningful comparison between the results, they are also presented at constant currency exchange rates. These are calculated by translating the 2015 results using the average 2014 exchange rates.



Revenues by geographic distribution

	Israel		Germany		USA & ROW	
	USD m	% of total	USD m	% of total	USD m	% of total
H1 2015 Adjusted	10.9	48.9%	11.3	50.7%	0.1	0.4%
H1 2014	12.2	58.4%	8.7	41.6%	0.0	0.0%
H1 2015 Adjusted (constant currency)	12.2	46.6%	13.9	53.0%	0.1	0.4%
% change in constant currency	0.0%		59.8%			

(1) Additional revenues

These are revenues earned by GPH in the period after the acquisition date (Q2 2015), relating to the period prior to the acquisition date (2013, 2014 and Q1 2015) which IFRS 3 requires them to be recorded as an additional asset, as of the acquisition date, rather than revenues.

(2) Reconciliation to Adjusted Financial Information:

	H1 2015	H1 2014	H1 2015 (constant currency)
EBIT	0.8	0.6	1.3
Amortization of acquisition intangibles and stock based compensation	0.7	0.7	0.8
Restructuring charges	0.5	0.0	0.5
Additional revenues (1)	1.2	0.0	1.5
Adjusted EBIT	3.2	1.3	4.1
Depreciation	2.4	2.6	2.6
Adjusted EBITDA	5.6	3.9	6.7

	H1 2015	H1 2014	H1 2015 (constant currency)
Net Income	0.2	0.1	0.6
Amortization of acquisition intangibles and stock based compensation	0.7	0.7	0.8
Restructuring charges	0.5	0.0	0.5
Additional revenues (1)	1.2	0.0	1.5
Taxes on the above items	(0.3)	0.0	(0.4)
Adjusted Net Income	2.3	0.8	3.0



About SHL Telemedicine

SHL Telemedicine is engaged in developing and marketing personal telemedicine systems and the provision of medical call center services, with a focus on cardiovascular and related diseases, to end users and to the healthcare community. SHL Telemedicine offers its services and personal telemedicine devices to subscribers utilizing telephonic and Internet communication technology. The Company operates in Israel, Germany, India and the United States in one business segment, Telemedicine services. SHL is listed on the SIX Swiss Exchange (SHLTN, ISIN: IL0010855885, Security No.: 1128957) and has an ADR program listed over-the counter; Symbol: SMDCY. For more information, please visit our web site at www.shl-telemedicine.com.

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Some of the information contained in this press release contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. SHL Telemedicine undertakes no obligation to publicly update or revise any forward-looking statements.