

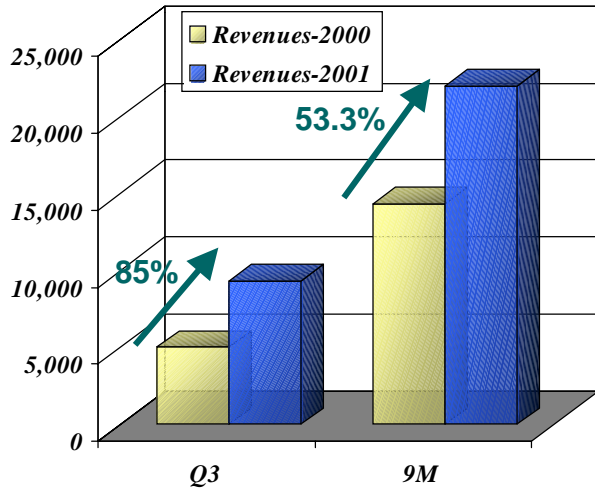


# **Results Q3 2001**

November 19th, 2001

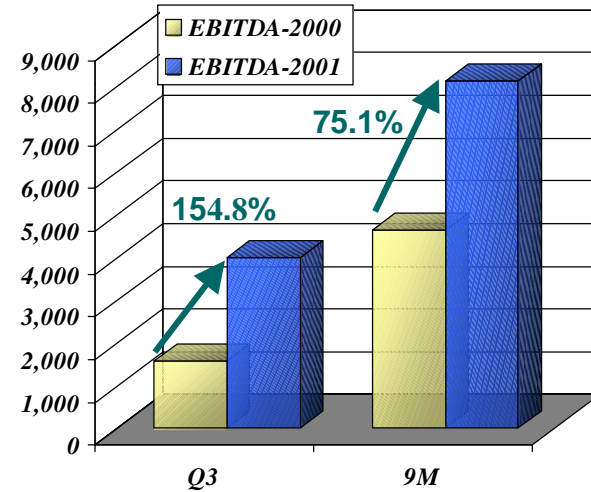
- |           |   |                                  |
|-----------|---|----------------------------------|
| Section 1 | Company overview and highlights Q3 2001 | <i>Erez Alroy, Co-President</i>  |
| Section 2 | Outlook 2001                            | <i>Erez Alroy, Co-President</i>  |
| Section 3 | Financial results Q3 2001               | <i>Erez Termechy, VP&amp;CFO</i> |
| Section 4 | Q&A session                             |                                  |

### Company overview and highlights Q3 2001



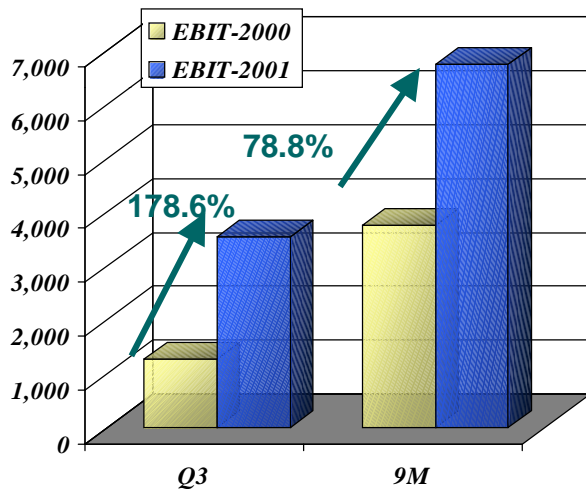
**Revenues**  
**9M 2001-**  
**22,006**

**Q3 2001-**  
**9,278**



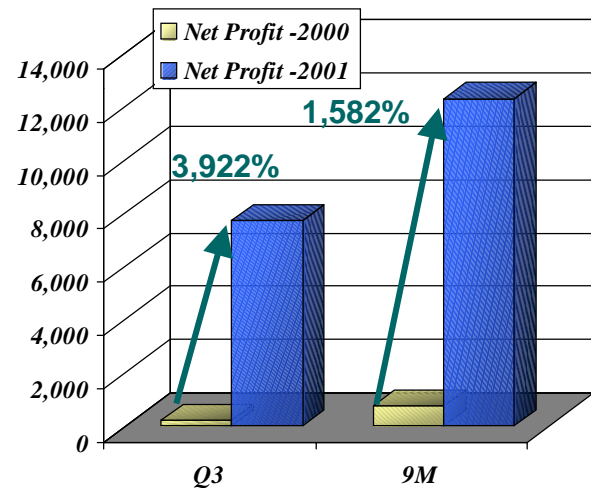
**EBITDA**  
**9M 2001-**  
**8,121**

**Q3 2001-**  
**3,988**



**EBIT**  
**9M 2001-**  
**6,722**

**Q3 2001-**  
**3,536**



**Net Profit**  
**9M 2001-**  
**12,263**

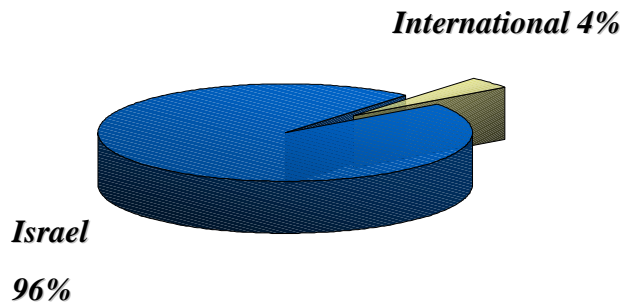
**Q3 2001-**  
**7,683**

- ◆ **Formation of joint venture with Philips Medical Systems to create Philips HeartCare Telemedicine Services Europe B.V.**
- ◆ **Product approvals and launches**
  - CB 12/12 obtains FDA marketing clearance
  - Cardio MC vision 7 obtains FDA marketing clearance
  - Home Care Center obtains FDA marketing clearance
    - *Communication system linking client patients with diagnostic and monitoring services*
  - Multi channel ECG receiver obtains FDA marketing clearance
  - Launch of CardioBeeper CB 12/12
    - *Easy-to-use device capable of transmitting a 12-lead ECG from patient to medical monitor center in 12 seconds*
  - Introduction of TeleBreather
    - *Remote device designed to facilitate user-friendly diagnostic monitoring of patients with asthma and chronic pulmonary disease*
  - TelePressIII obtains FDA approval

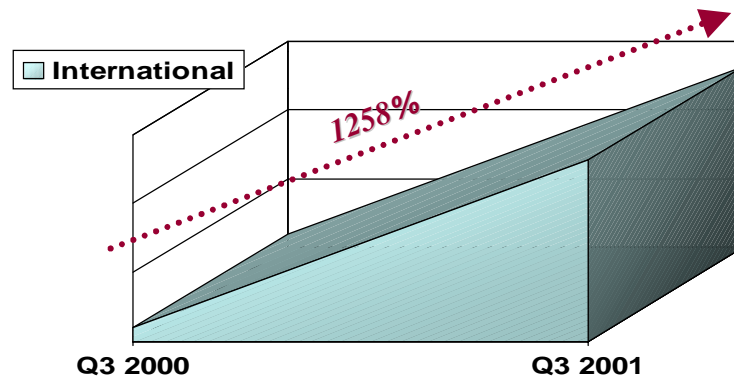
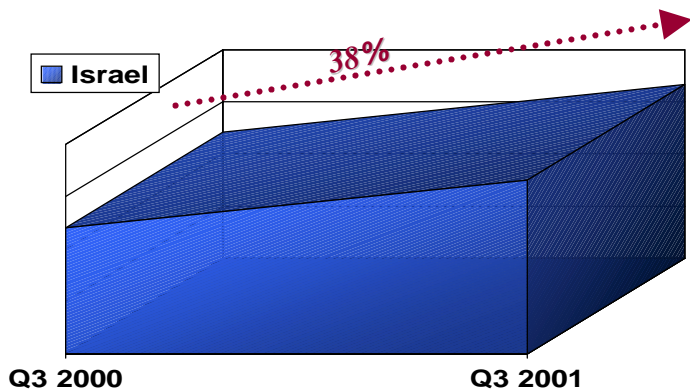
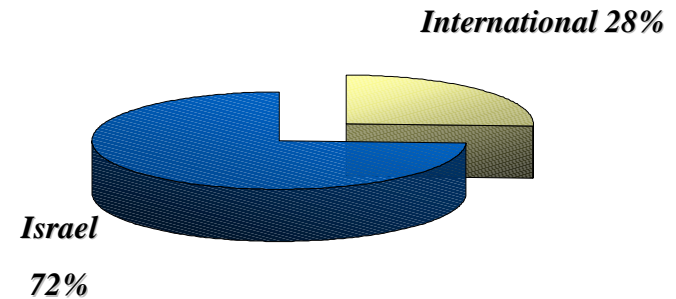
## ◆ Increase of international sales

- 28% of sales derived from international operations compared to 4% last year

Geographical breakdown  
Q3, 2000

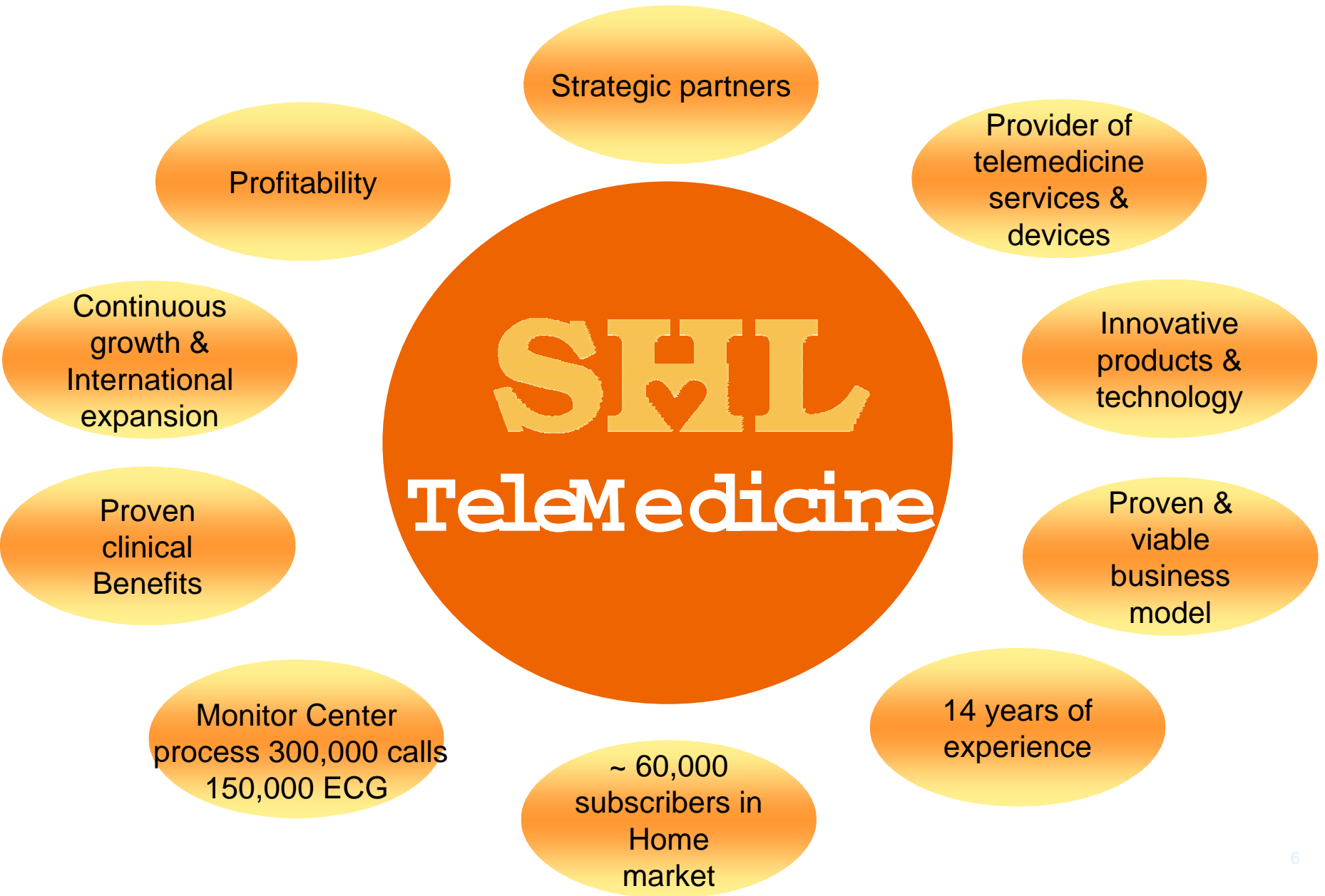


Geographical breakdown  
Q3 2001





# SHL - integrated provider of TeleMedicine



### Peace of mind, better care and cost efficiency

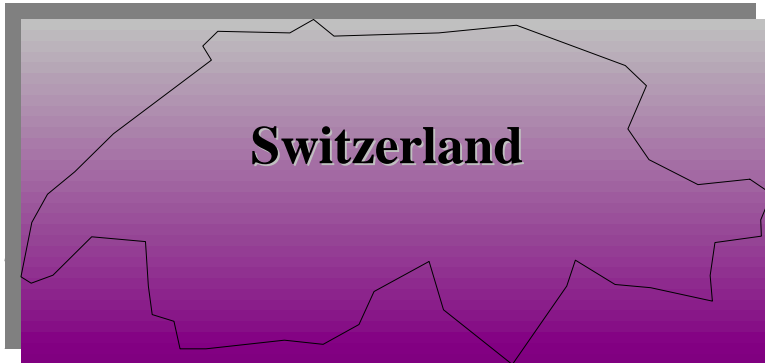
Value for subscribers	Value for physicians and hospitals	Value for payors
<ul style="list-style-type: none"> <li>◆ Reduced emergency response time</li> <li>◆ Reduced severity of damage after myocardial infarction (MI)</li> <li>◆ At USD 40-60 monthly for device and call center service, economically viable and efficient</li> </ul>	<ul style="list-style-type: none"> <li>◆ Real time patient monitoring from remote locations</li> <li>◆ Efficient management of treatment programs</li> <li>◆ Early release programs after MI: lower revenue patients leave earlier, thereby allowing more beds for procedure ready patients</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduces costs associated with unnecessary hospitalizations</li> <li>◆ Reduces hospitalization cost as inpatients can often be released sooner</li> <li>◆ Efficient availability of patient data</li> </ul>



### Outlook 2001

### Major steps 2001

- ◆ Enhance International Expansion
  - Roll-out in Germany, Italy and Switzerland of Philips HeartCare Telemedicine Services Europe B.V.
  - UK operation
  - Target of revenues from international activities: 20%-25% of total revenues
- ◆ Expand product offering through technological innovation
- ◆ Maintain leading market share in home market Israel
- ◆ Examining opportunities for partners beyond Europe and selected acquisitions
- ◆ Financial key targets
  - Sales growth: 45-50%
  - Margins:26+%



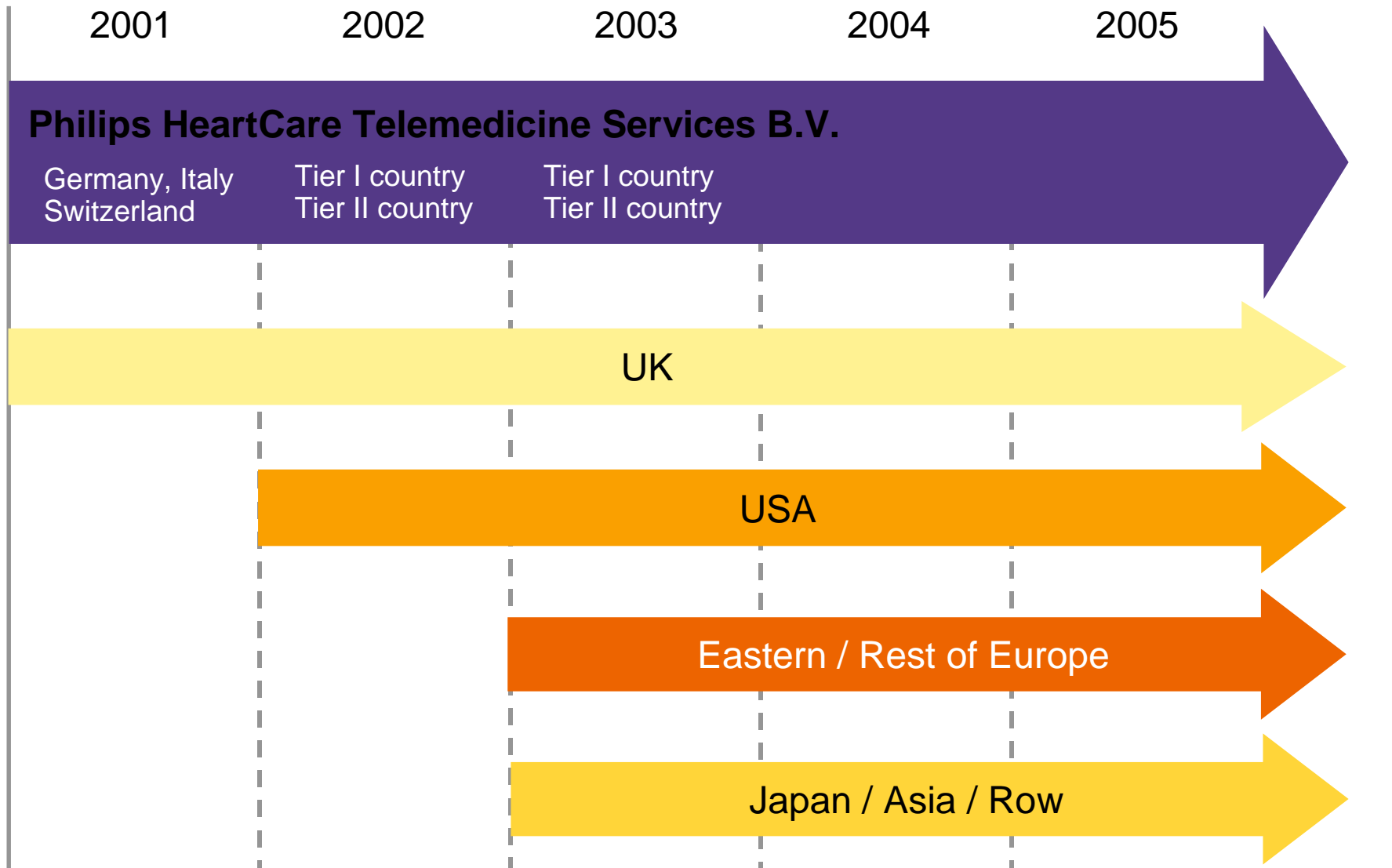
- ◆ *Started operations on the beginning of September. Currently - fully operational*
- ◆ *Location - Zurich, Switzerland*
- ◆ *Managing Director – Dr. Jacques-Henri Weidman*
- ◆ *Chief Medical Officer – Dr. med. Urs Schneider*
- ◆ *Medical Advisory Board – Renowned cardiologists from the university hospital of Zurich have joined the Swiss Medical Advisory Board.*

- ◆ *Start of operations – November 2001.*
- ◆ *Location – Southwest Germany.*
- ◆ *Medical Advisory Board – Renowned cardiologists have joined the German Medical Advisory Board.*





- ◆ *Start of operations December 2001.*
- ◆ *Location – Northern Italy.*
- ◆ *Medical Advisory Board – Renowned cardiologists have joined the Italian Medical Advisory Board.*



### Product pipeline 2001 and beyond

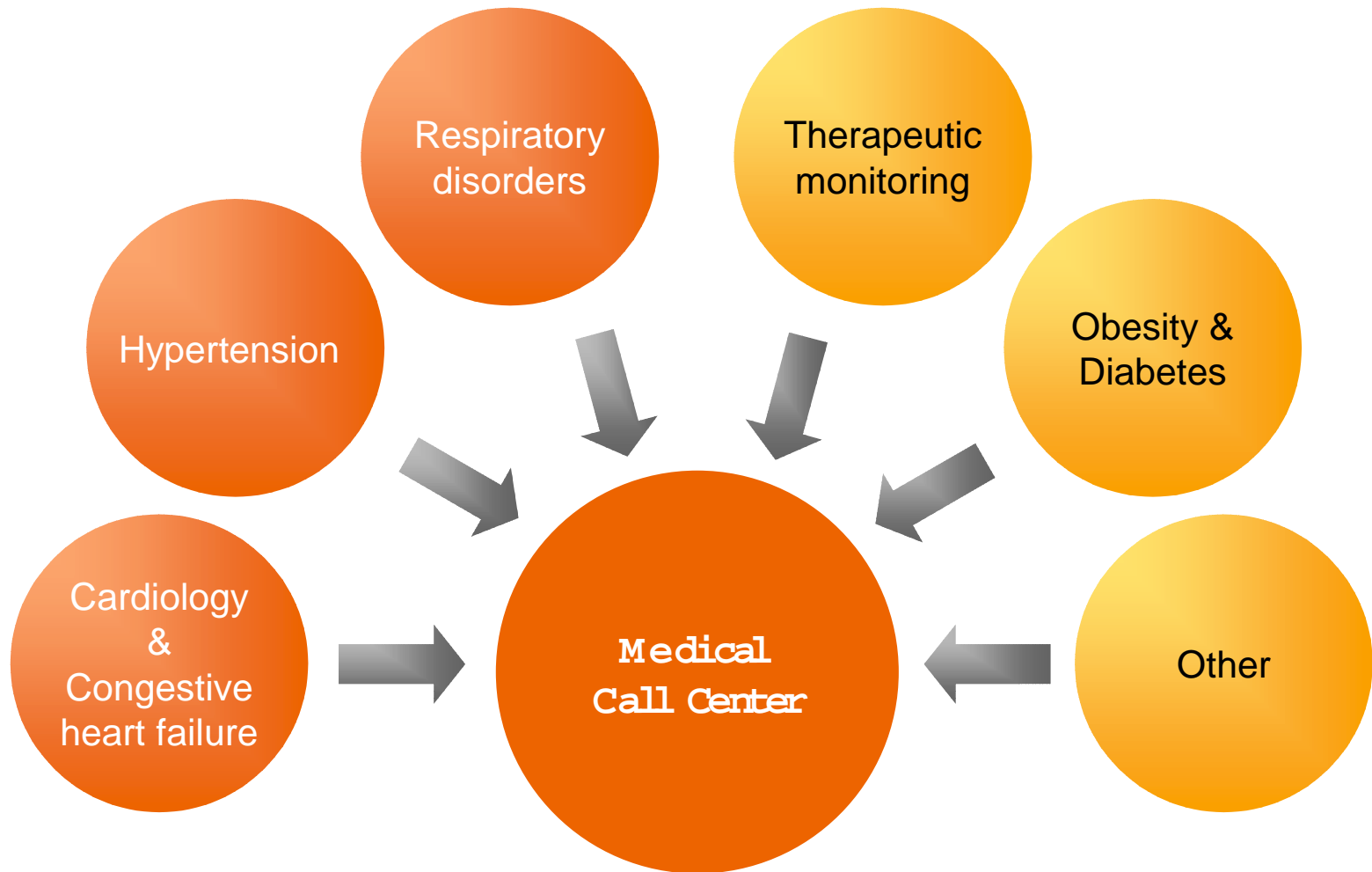


Products	Target Launch Date	Status
CardioBeeper 12/12	Q1 2001	✓
TeleBreather	Q1 2001	✓
Multi channel ECG receiver	H1 2001	✓
Cardio MC Vision 7	H1 2002	✓
CardioPocket	H1 2002	
Blood measurement device	H1 2002	



**Other products due to be launched in 2002 are currently under development**

### A wide range of opportunities for the telemedicine industry



current medical applications



Future market opportunities



### Financial results Q3 2001

#### Financial overview



## Profit & Loss – Q3

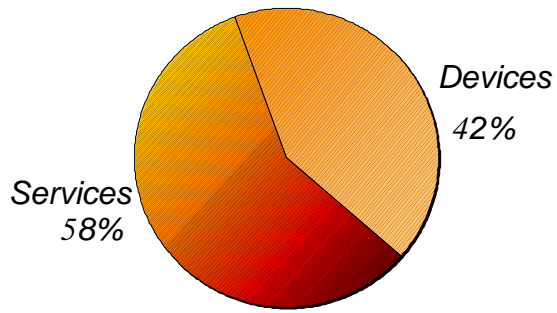
<b>(USD 000s)</b>	<b>2000</b>	<b>2001</b>	<b>% GROWTH</b>
<b>Revenues</b>	<b>5,016</b>	<b>9,278</b>	<b>84.9%</b>
<b>Gross Profit</b>	<b>3,089</b>	<b>6,320</b>	<b>104.6%</b>
Margin	61.6%	68.2%	
<b>EBITDA</b>	<b>1,565</b>	<b>3,988</b>	<b>154.8%</b>
Margin	31.2%	43.0%	
<b>EBIT (Operating Profit)</b>	<b>1,269</b>	<b>3,536</b>	<b>178.6%</b>
Margin	25.3%	38.1%	
<b>Profit before Tax</b>	<b>371</b>	<b>8,960</b>	<b>2,315.1%</b>
Margin	7.4%	96.6%	
<b>Net Profit</b>	<b>191</b>	<b>7,683</b>	<b>3922.5%</b>
Margin	3.8%	82.3%	
<b>Eps</b>	<b>US\$ 0.03</b>	<b>US\$ 0.72</b>	



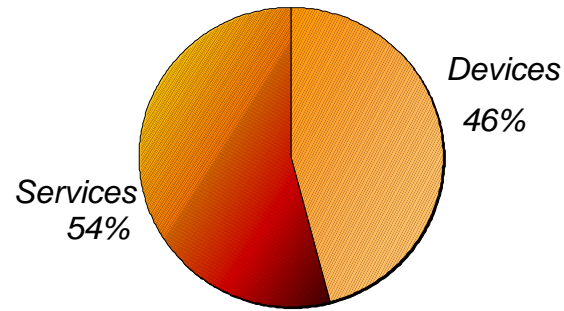
## Profit & Loss – 9M

<b>(USD 000s)</b>	<b>2000</b>	<b>2001</b>	<b>%GROWTH</b>
<b>Revenues</b>	<b>14,356</b>	<b>22,006</b>	<b>53.3%</b>
<b>Gross Profit</b>	<b>8,813</b>	<b>14,282</b>	<b>62.1%</b>
Margin	61.4%	64.9%	
<b>EBITDA</b>	<b>4,638</b>	<b>8,121</b>	<b>75.1%</b>
Margin	32.3%	36.9%	
<b>EBIT (Operating Profit)</b>	<b>3,761</b>	<b>6,722</b>	<b>78.7%</b>
Margin	26.2%	30.5%	
<b>Profit before Tax</b>	<b>1,455</b>	<b>14,302</b>	<b>882.9%</b>
Margin	10.1%	65%	
<b>Net Profit</b>	<b>729</b>	<b>12,263</b>	<b>1,582.2%</b>
Margin	5.1%	55.7%	
Eps	US\$ 0.13	US\$ 1.15	

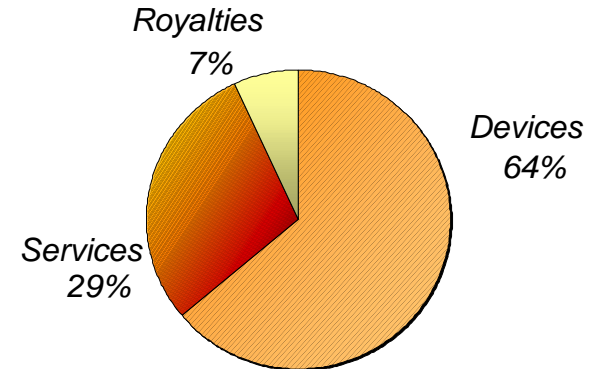
Revenue breakdown  
9M - 2000



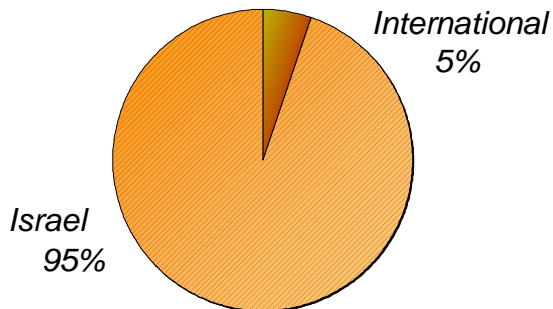
Revenue breakdown  
9M - 2001



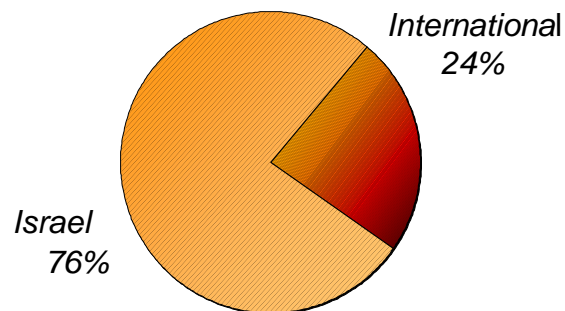
Revenue breakdown  
mid-term



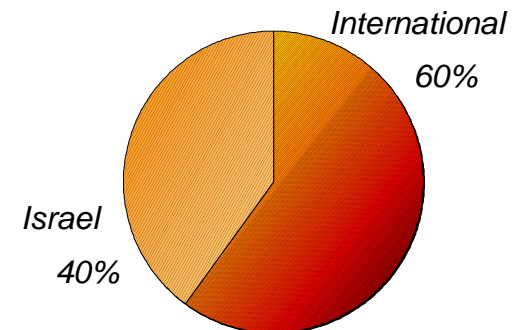
Geographical breakdown  
9M - 2000



Geographical breakdown  
9M - 2001



Geographical breakdown  
mid-term



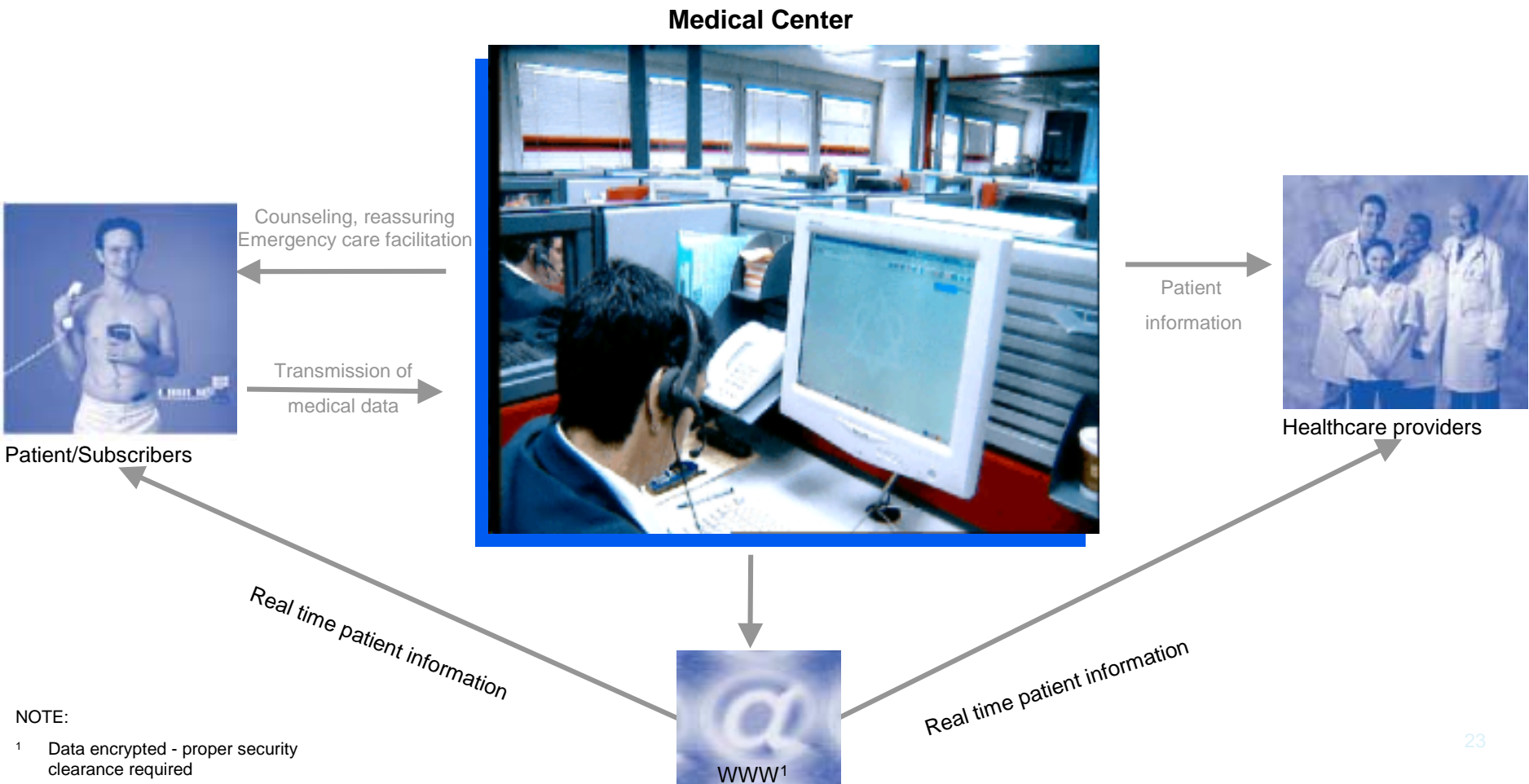
(USD 000s)	30/9/2000	30/9/2001
<b>Assets</b>		
Current assets	35,050	76,515
Long term assets	18,819	31,239
Fixed assets	2,130	1,813
Other assets, net	17,939	15,824
<b>Total assets</b>	<b>73,938</b>	<b>125,391</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities	8,774	15,566
Long term liabilities	15,878	13,287
Shareholders' equity	49,286	96,538
<b>Total liabilities and shareholders' equity</b>	<b>73,938</b>	<b>125,391</b>

Q&A session

- ◆ Erez Alroy, Co-President  
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erez@shl-telemedicine.com
- ◆ Erez Termechy, Vice-President and Chief Financial Officer  
Phone +972-3-561-22-12  
erezt@shl-telemedicine.com
- ◆ IR Agenda

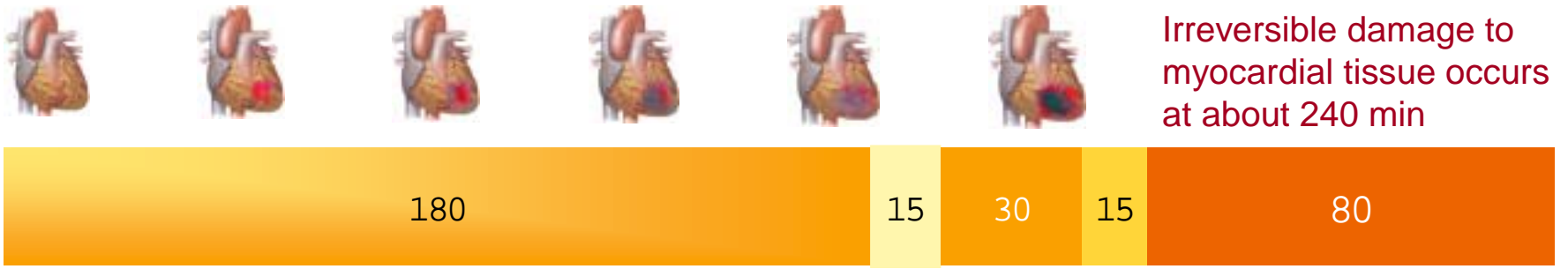
Results 2001: March 5th, 2002

Personal telemedicine is the transmission of medical data via telecommunication networks by an individual patient from a remote location to a medical call center for the purpose of monitoring and diagnosis



NOTE:  
<sup>1</sup> Data encrypted - proper security clearance required





0 min.

320 min.



With SHL's system, response time is reduced by up to 215 min.

0 min.

105 min.

■ Reaction delay  
 ■ Ambulance response  
 ■ Home to hospital  
 ■ At-home treatment  
 ■ Door-to-Needle