



SHL-TeleMedicine

SHL

Acquisition of Raytel Medical Corp'

Conference call

11 April 2002, 9am (CET)

Section 1 Update Raytel & Acquisition Rationale

Section 2 Key Guidance

Section 3 Q & A

Section 4 Appendix

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Update Raytel & Acquisition Rationale

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- ◆ SHL now owns ~80% of the Raytel shares. The balance will be acquired by way of a merger process that is expected to take 2-3 months
- ◆ Total price of approximately USD 31 million

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- ◆ Incorporated in 1981 and is active in the US
- ◆ Leading provider of remote trans-telephonic pacemakers, cardiac event and holter monitoring services .
- ◆ Owns and operates outpatient cardiovascular , nuclear cardiology and imaging diagnostic service facilities.
- ◆ ~600 employees
- ◆ FY 2001 (ended September 30)

Revenue USD 71.2 million

EBITDA USD 8.37 million (from normal operations)

EBIT USD 1.89 million (from normal operations)

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- ◆ **Raytel** is well established and recognized name in the field of cardiac monitoring
- ◆ Provides services to some 170,000 subscribers throughout the US, of which ~80,000 are long term pacemaker patients
- ◆ Relationship with a strong professional network of approx. 10,000 referring physicians and cardiologists and over 150 insurance companies/managed care organizations
- ◆ Strong distribution channels with the leading pacemakers' manufacturers
- ◆ SHL will utilize the Raytel platform for the introduction of its services and products
- ◆ Raytel's acquisition enables the shortening of SHL's entry phase into the US market

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- ◆ Raytel is active in 2 major sectors:
 - Cardiac Monitoring Services
 - Cardiovascular, Nuclear Cardiology and Imaging diagnostic facilities
- ◆ Q1 (to December 2001) Results
 - Revenues USD 18.1M
 - EBITDA USD 2.4 M
 - EBIT USD 0.9 M
- ◆ Raytel results will be consolidated into SHL from April 1 2002

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- ◆ Provide new confidence and leadership in Raytel's activities
- ◆ Improve growth in revenue and profitability
- ◆ Revise organizational structure to best serve SHL's strategic goals

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Key Guidance

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- ◆ Strong operation in Israel despite challenging political and economic situation
- ◆ Successful integration of Bikurofe
- ◆ Continuing progress in Europe
- ◆ Successful Raytel acquisition
- ◆ Financial results in line with our expectations

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Major steps 2002

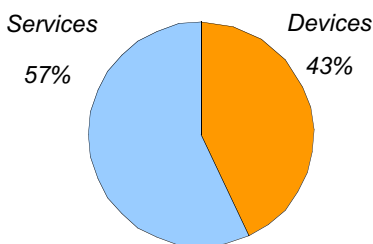
- ◆ Continue European expansion with our strategic partners
- ◆ Fast integration of Raytel Medical Corporation
- ◆ Expand product offering through technological innovation
- ◆ Maintain leading market share in home market Israel

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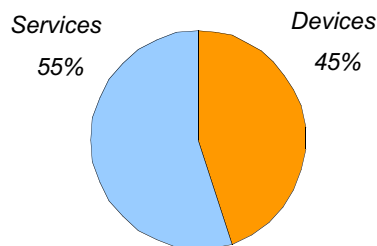
- ◆ SHL's 2002 results include Raytel's operations for 9 months only
- ◆ Total revenue forecast between USD 90M - USD 95M:
 - Domestic revenue growth between 45% - 55%
 - International revenue over 50% of total revenue
- ◆ EBITDA - between USD 18M - USD 23M (20% - 26%)
- ◆ EBIT- between USD 11.5M - USD 15.5M (13% - 17%)

Revenues Breakdown

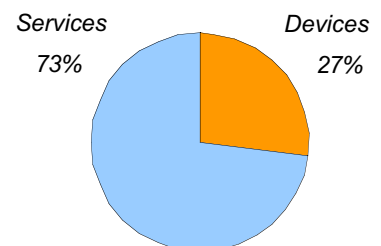
Revenue breakdown 2000



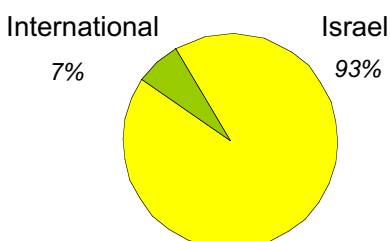
Revenue breakdown 2001



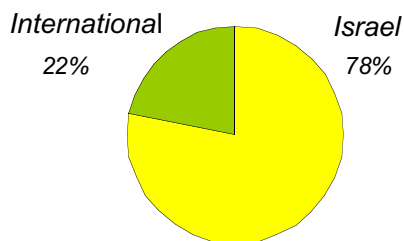
Revenue breakdown 2002E



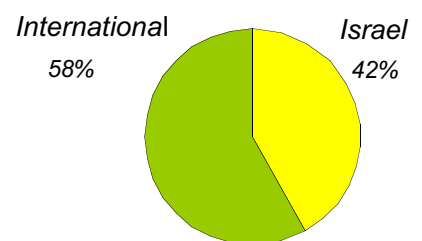
Geographical breakdown 2000



Geographical breakdown 2001



Geographical breakdown 2002E



The following points differentiate SHL's consumer-oriented business model

- ◆ Integrated technology/service provider
 - Fourteen year track record of technological innovation and medical call centre operation
- ◆ Source of revenue: out of pocket versus third party reimbursement
 - consumer model not dependent on third party reimbursement
 - SHL's technology is FDA approved and easily capable of providing reimbursable services
- ◆ Long term client base provides recurring revenue stream
 - the average subscriber utilises SHL's services for over five years
 - substantially different turnover profile
- ◆ Uniquely positioned to penetrate European market
 - with minimal third party reimbursement for telemedicine in Europe, SHL's consumer-oriented model is best suited to penetrate the European market
 - partnership with Philips provides SHL with superior scale, marketing clout with consumers

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Q&A session

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Appendix

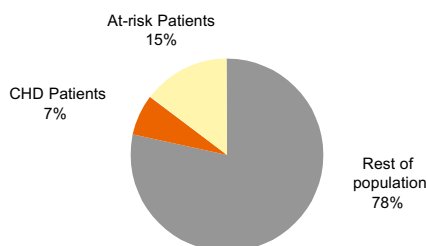
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- ◆ IR Agenda
 - Q1: May 16
 - Q2: August 20
- ◆ 10,663,373 registered shares with a par value of NIS 0.01 each
- ◆ Listed at SWX New Market in CHF; Symbol: SHLTN; Securities No. 1128957
- ◆ Market price high/low (CHF) in 2001: 48/10.2
- ◆ Market capitalization high/low (CHF million) in 2001: 511.8/108.2
- ◆ Market capitalization 31.12.01 (CHF million) in 2001: 243.7
- ◆ No dividends in the foreseeable future
- ◆ No voting restrictions

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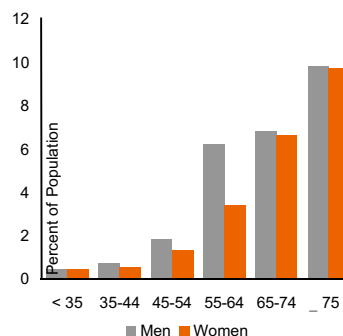
Cardiovascular diseases afflict some 60m people in the US

Heart disease prevalence in the U.S.



SOURCE: U.S. adult population 20+ years old 1999 Heart and Stroke Statistical Update American Heart Association

Estimated prevalence of congestive heart failure by age and sex



SOURCE: NHANES (1988-94), CDC/NCHS and the American Heart Association

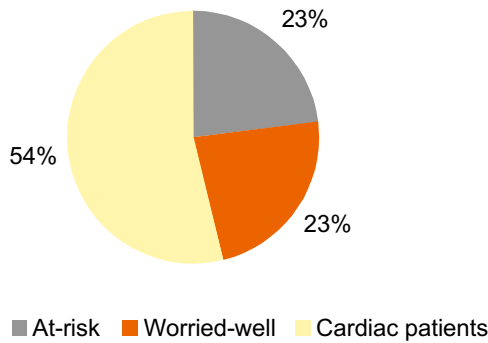
- Ⓜ Each year, an estimated 1.1m Americans have a new or recurrent myocardial infarction (MI)
- Ⓜ Congestive heart failure affects 4.6m Americans at an annual total cost of more than USD22.0 bn
- Ⓜ Direct costs associated with coronary heart disease are estimated to reach to USD55.2 bn in 2000

SOURCES: American Heart Association, "Heart and Stroke Facts", 2000

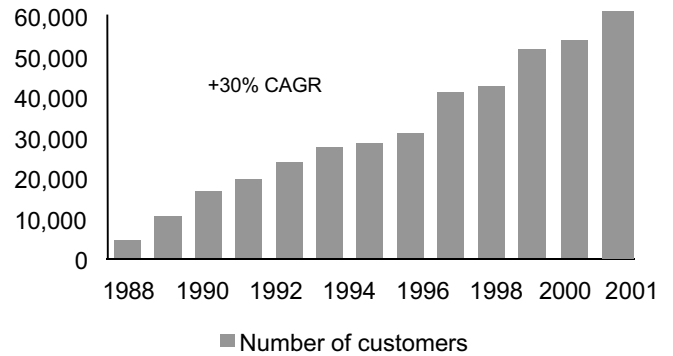
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Over 14 years of experience operating as an integrated technology and service provider

Subscriber breakdown



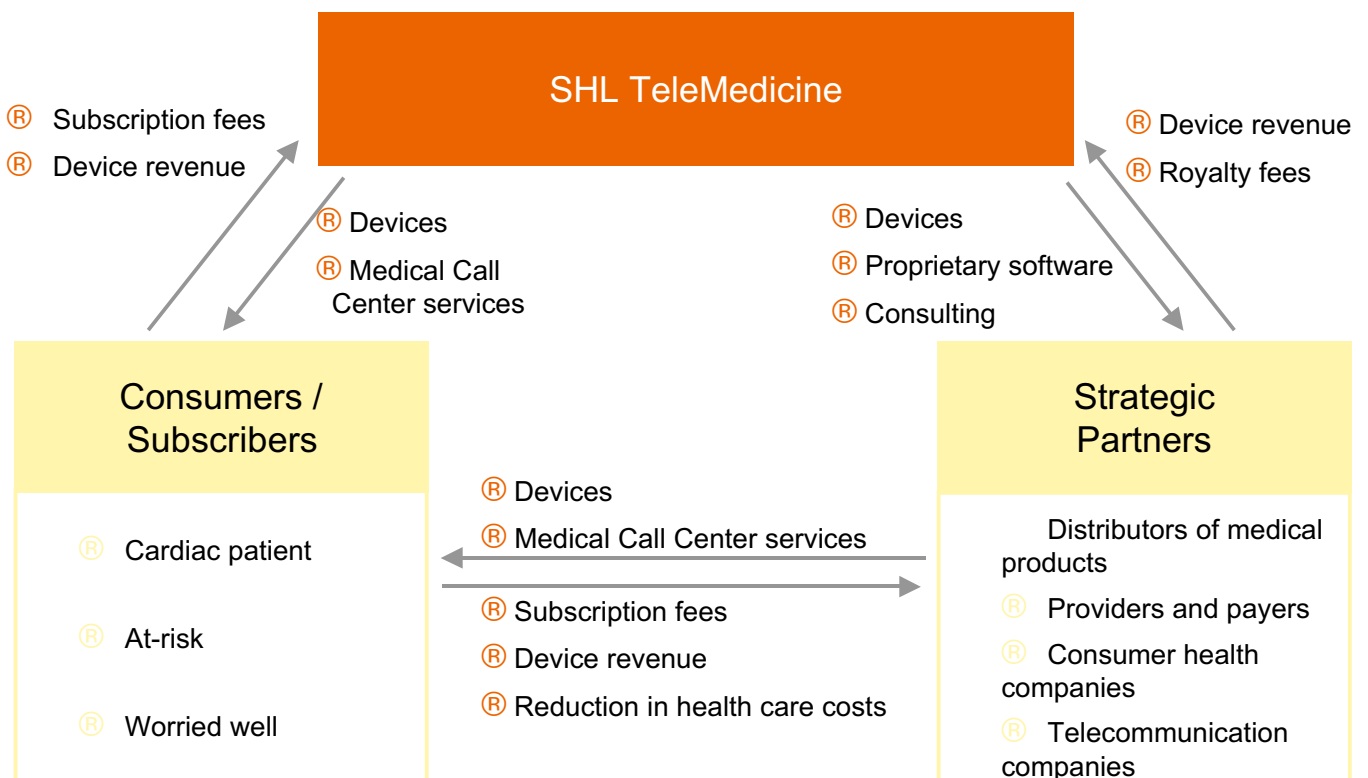
Number of subscribers



- Ⓡ Approximately 60,000 subscribers generate recurring revenues
- Ⓡ Subscriber growth of 30% (CAGR) for 1988-2000
- Ⓡ Forecasted growth in domestic market of 12-15% (CAGR) for 2001-2005

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The Revenue Model



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