



Press release

SHL: Study reveals economic benefit of telemedical treatment of diabetics - initial results from Diabetiva® pilot conducted in Germany

Tel Aviv/Zurich, 5 May 2008 - SHL Telemedicine Ltd. (SWX: SHLTN), a leading provider and developer of advanced personal telemedicine solutions, today announced that the preliminary results of the Diabetiva® program conducted with Taunus BKK, a Frankfurt based health insurer and long time PHTS partner, show significant cost savings due to less hospital admissions and shortened hospital stay together with improved patient care.

Taunus, following the success of the congestive heart failure (CHF) telemedicine program with PHTS, decided on entering into a pilot program with PHTS for providing telemedicine services to high-risk patients with diabetes mellitus type 2 and manifest micro or macrovascular illnesses; that is, those patients with complications of the small and large blood vessels.

The Diabetiva® patients receive a blood sugar measuring device for home use, with which they transmit regularly and automatically glucose values to the PHTS telemedical center. When data deviates from the regular values, the Diabetiva System prompts the monitor center staff to immediately contact the subscriber. The monitor center also regularly contacts the subscriber for purposes of reassurance, symptom surveillance and promoting compliance. In addition, the measurements are documented in an electronic medical file and are available to the treating physician on line, allowing them to adjust their therapies quickly.

Overall, 400 patients are enrolled in the Diabetiva® program. The pilot shows that the number of hospital admissions was 20% lower than for the control group with the average hospital stay length declining by 36% bringing the average cost per hospital stay to decrease by 25.5%. Both of these results affected the average illness cost which showed a significant decline of 30%, and this, although the costs for medicines per patient increased by 42.8%, an indicator that the patients generally complied better with the therapy specifications of their treating physicians and took their prescribed medicines more regularly.

Cordula Gierg, Director of Taunus BKK, commenting on the first results said: "The quality of care for diabetes patients can be improved considerably with telemedicine. The program of PHTS is also obviously well-suited for reducing the costs of health care. The positive experiences thus confirm what we have been able to prove with telemedicine in the treatment of chronic and acutely ill heart patients since 2005."

Prof. Dr. Med. Stephan Martin, Medical Director of the West German Diabetes and Health Centre (WDGZ) at the hospital Gerresheim Sana Kliniken Düsseldorf, added: "Diabetes means for a majority of patients that they have macrovascular complications in the first years after diagnosis and as a result suffer a heart attack. In addition to increased patient mortality, this also clearly causes a cost explosion. In particular, patients with vascular events are frequently undersupplied with medicines with proven effects. The results of the Diabetiva® program show that telemedical support by PHTS causes a significant improvement in the care situation, which I applaud."

Erez Alroy, Co-CEO of SHL Telemedicine commented: "We are very pleased about the results of the pilot which again proves the effectiveness of our telemedicine solutions. With



Diabetiva® we can contribute to a better care of diabetes patients and at the same time reduce the average hospital days and illness costs. After this successful pilot phase, we will carefully assess the results before deciding how to best deploy this innovative service in the German market.”

About PHTS Telemedizin

PHTS Telemedizin, established in Düsseldorf, is a wholly owned subsidiary of SHL Telemedicine. PHTS Telemedizin combines innovative telemedicine solutions with well-founded medical-technical know-how. PHTS holds a leading position throughout Germany in the field of cardiological telemedicine.

About SHL Telemedicine

SHL Telemedicine Ltd. specializes in developing and marketing advanced personal telemedicine systems as well as providing comprehensive telemedicine solutions including medical call centers 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 Europe, mainly through PHTS in Germany, its fully owned subsidiary, and at its home market in Israel. In the US, SHL's telemedicine products are distributed by Philips Medical. SHL is listed on the SWX Swiss Exchange (SHLTN). More information on www.shl-telemedicine.com.

For further information please contact:

- Erez Alroy, Co-CEO, Phone: +972 3561 22 12, ereza@shl-telemedicine.com
- Assistant: Pauline Shavit, Phone: +972 3561 22 12, pauline@shl-telemedicine.com
- Martin Meier-Pfister, The Investor Relations Firm AG, Phone: +41 43 244 81 40, shl@ifirm.biz

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.