



Press release

**SHL Telemedicine reports results for Q3 and nine months of 2007 – Closing of transaction with Philips has been scheduled for November 30<sup>th</sup>**

Tel Aviv/Zurich, 22 November 2007 – SHL Telemedicine Ltd. (SWX: SHLTN), a leading provider and developer of advanced telemedicine solutions, reports revenues for the third quarter 2007 of USD 19.8 million compared to USD 18.9 million in Q3 of 2006. Revenues for the nine months totaled USD 58.9 million against revenues of USD 56.8 million for the same period of 2006. These results fully include the operations of SHL's US businesses to be acquired by Philips.

**Expected closing of the transaction with Philips**

The closing of the transaction with Philips has now been scheduled for November 30<sup>th</sup>, subject to the expected approval and authorization of the transaction with Philips by SHL's shareholders in a Special General Meeting on 27 November 2007. On consummation of the transaction SHL will record a significant capital gain, and going forward SHL anticipates an overall decrease in revenues while margins and cash position are expected to significantly improve.

**Divestment of remaining cardiovascular labs in the US**

SHL signed agreements and completed the divestment of its remaining Cardio Vascular labs in the US, which are now all categorized as discontinued operations.

**Continued progress in Germany and Israel**

SHL showed continued progress in its businesses in Germany and Israel. PHTS Telemedizin, SHL's wholly owned subsidiary in Germany, continued to grow with revenues for the nine months of 2007 increasing by over 70% compared to the 9 months of 2006, and to attract new health insurers for agreements with CHF (Congestive heart failure) patients. The insurance companies reimburse patients for these services and refer them to PHTS. With the very recent appointment of Prof. Dr. med. Klaus Pethig, a renowned cardiologist, PHTS further expanded its Medical Advisory Board, which already includes two prominent cardiologists, Prof. Nienaber and Prof. Lüderitz.

**FDA Clearance for the new cellular-based digital Arrhythmia Monitor**

SHL announced the FDA clearance of a proprietary Arrhythmia looping Monitor, a first in a new family of wireless, cellular-based devices developed by SHL for diagnostic arrhythmia services. This device will be the first "all in one" wireless cellular looping monitor available in the world and further strengthens SHL's device and service offerings.

**SHL Telemedicine – Consolidated key figures** (in USD million)

	Q3 07	Q3 06	% change	9M 07	9M 06	% change
Revenues	19.8	18.9	4.8%	58.9	56.8	3.7%
Gross Profit	9.6	9.4	2.1%	28.5	27.7	2.9%
%	48.5%	49.7%		48.4%	48.8%	
EBITDA	2.2	2.9	(24.1%)	6.4	7.9	(19.0%)
%	11.1%	15.3%		10.9%	13.9%	
EBIT	0.3	1.1	(72.7%)	0.9	2.6	(65.4%)
%	1.5%	5.8%		1.5%	4.6%	
Net loss	(1.5)	(1.0)	<i>n.a</i>	(0.9)	(4.9)	<i>n.a</i>
* Results for Q3 07 and 9M 07 are unreviewed						

SHL's gross profit amounted to USD 9.6 million and USD 28.5 million in Q3 2007 and the nine months of 2007.

EBITDA and EBIT for the quarter amounted to USD 2.2 million and USD 0.3 million respectively with EBITDA and EBIT for the nine months amounting to USD 6.4 million and USD 0.9 million.

Net loss for the quarter amounted to USD 1.5 million compared to USD 1.0 million in Q3 2006. For the nine months, net loss amounted to USD 0.9 million compared to a net loss of USD 4.9 million in the nine months of 2006.

**Operating cash flow**

Cash generated in Q3 and 9M from SHL's operating activities amounted to USD 0.6 million and USD 0.9 million

**Next event**

27 November 2007 Special General Meeting

**IR Agenda 2008**

26 March	FY results 2007
14 May	Annual General Meeting
20 May	Q1 results
26 August	Q2 results
18 November	Q3 results

**About SHL Telemedicine**

SHL Telemedicine Ltd. is a leading provider and developer of advanced personal telemedicine solutions 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 the US, Europe and Israel. SHL is listed on the SWX Swiss Exchange, symbol SHLTN. For more information please visit SHL's web site at [www.shl-telemedicine.com](http://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. The results reported for Q3 07 and 9M 07 are unreviewed and should be considered preliminary and subject to change until SHL's 2007 annual report.