



SHL Telemedicine Q3 2010 Results 10 November 2010

Conference Call, 11.00 am CET - Dial-in numbers :

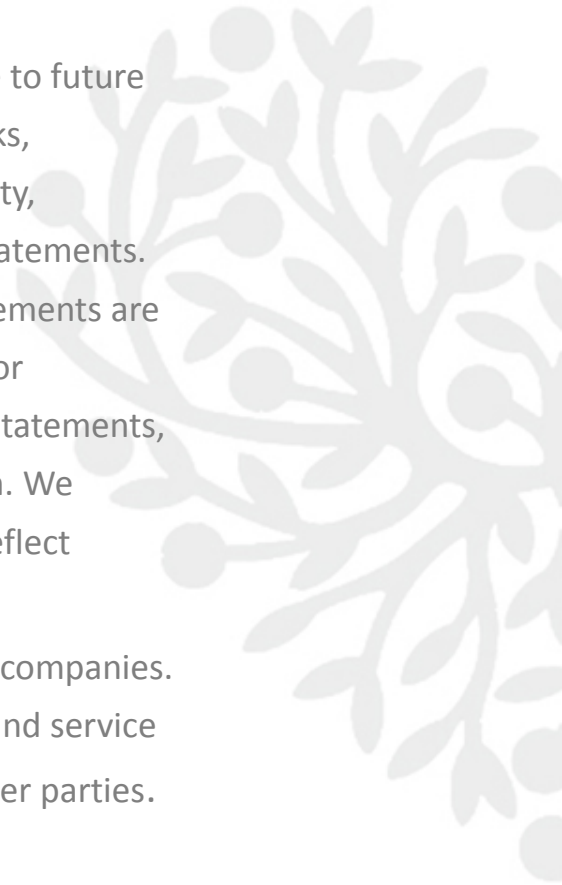
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From Israel: 1 80 921 44 27

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SHL at a glance

Facts

- Leading provider of technologically advanced telemedicine services and solutions
- The services and solutions improve quality of life for our subscribers and enable cost savings for the health services community
- Focus on cardiovascular and related diseases, i.e.:
 - ECG monitoring (Israel and Germany, soon also in UK)
 - Congestive Heart Failure (Germany)
- Technological innovation; ongoing development of IT based services and solutions
- Active in Israel, Germany and USA
- Incorporated in 1987, listed on the Swiss Stock Exchange (Zurich)

Figures

- Over 20 years of experience
- Global long-term subscriber base
 - Over 80,000 subscribers
 - Average age of ~ 66(*)
 - Average time on service ~ 8(*) years
 - Over 400 thousand calls conducted in 2009 in Israel and Germany
 - Over 1.5 million telemedicine device transmissions received in 2009



* excluding German subscribers

SHL's business lines

	B2C model	B2B model
Trends	Aging population, cost pressure, consumerism	
Platforms	Medical monitoring center, proprietary IT systems	
Countries	Israel Market entry in Germany / UK	Germany
Services	ECG monitoring; consulting / reassuring	Monitoring of congestive heart failure, diabetes, COPD
Models / clients	Private pay / out of pocket	Health insurers / reimbursement
Main benefits	Save lives, peace of mind	Cost saving, stabilizing condition
Market / growth	Israel: mature / single digit Other: early stage / double digit	Early stage / double digit

SHL's Disease Focus

	Disease characteristics	Telemedicine solution
Cardiac events	<ul style="list-style-type: none"> ~47% of people with coronary heart attack die (50% before reaching hospital) ~10% of survivors die within 1 year Many unnecessary hospitalizations: 80% of admitted patients have no MI 	<ul style="list-style-type: none"> Major benefits <ul style="list-style-type: none"> - 24/7 emergency monitoring, peace of mind - Patients call earlier and damage to heart mussel is reduced Tools: Cardio Sen'C or Cardio'B
Congestive heart failure (CHF)	<ul style="list-style-type: none"> Heart failure most frequent reason for hospital admission in Germany These hospitalization costs account for ~ 50% to 70% of the health costs of patients with heart failure 	<ul style="list-style-type: none"> Major benefit <ul style="list-style-type: none"> - Stabilizing health of patients, better compliance - Significant cost reduction to health insurer Tools: HomeCareCenter, TeleWeight, TelePress
Diabetes	<ul style="list-style-type: none"> About 10% of Western population has diabetes, above age 60 even 18-28% Risk of MI is 3.9-5.9 fold increased 	<ul style="list-style-type: none"> Major benefit <ul style="list-style-type: none"> - Better metabolic control, quality of life, and less vascular complications - Significant cost reduction to health insurer Tools: HomeCareCenter, Glucometer
Chronic Obstructive Pulmonary Disease (COPD)	<ul style="list-style-type: none"> In Europe ~ 4% - 10% of adults have COPD, 75% of them are undiagnosed Total cost of COPD in Europe approx. 50 bn a year 	<ul style="list-style-type: none"> Major benefit <ul style="list-style-type: none"> - Significant cost reduction to health insurer by increasing compliance - Possibility to foresee potential attacks Tools: HomeCareCenter, Respirometer

Q3/9M 2010 Business Highlights

Business

Germany – increasing cost pressures for health insurers, a positive sign

- Expected that a large number of health insurers will finish 2010 with a significant deficit estimated at EUR 6 billion.
- Deficit is expected to grow in 2011 leading to cost cutting measures initiated by the health insurers.
- Evidencing increased demand for our telemedicine solutions.
- Progressing in securing larger scale contracts with health insurers for our various telemedicine offerings (CHF, COPD and Diabetes).

Business

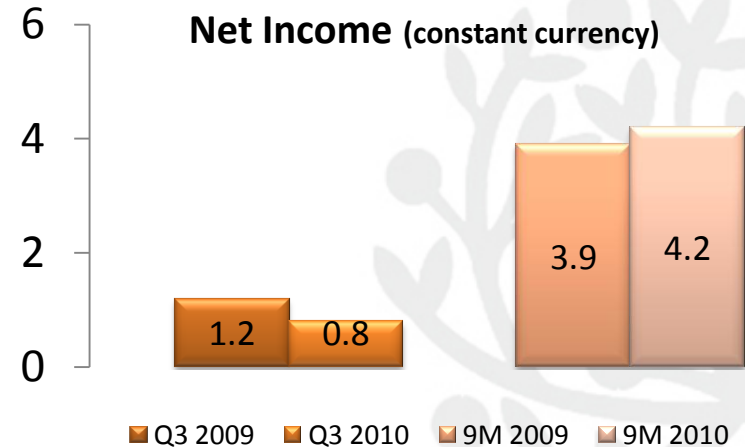
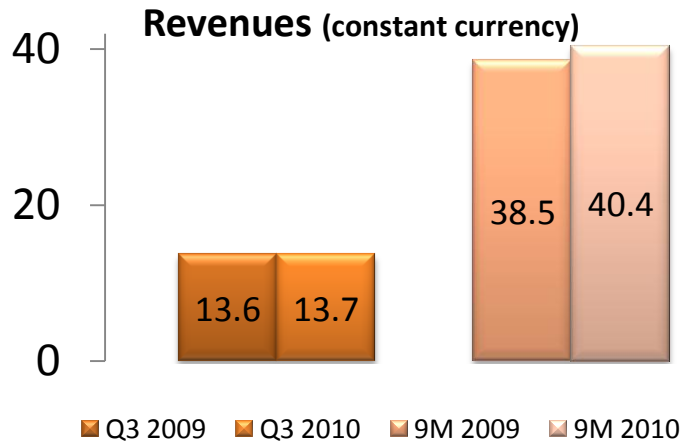
Consumer markets – continued investment

- Implementing first steps in offering the personal cardiac service in Germany, mainly through web based marketing.
- Already hundreds of patients have joined the service.
- Preparing for the launch of the service in the UK at the end of the year.
- Expecting to continue investing in sales and marketing at the same pace until the end of the year.

Israel - steady progress

- Sick funds are facing much of the same problems as those in Germany - cost containment becomes a significant issue for the years to come.
- Israeli operations seeing raised interest from sick funds – which are facing same problems of those in Germany.

Q3/9M 2010 Financial Highlights



Q3 2010

- Revenues of USD 12.4 M (growth Q over Q of 0.7% in constant currency)
- EBITDA of USD 2.7 M (21.8% of revenues)
- EBIT of USD 1.3 M (10.5% of revenues)
- Net income of USD 0.8 M (6.5 % of revenues)
- Operating cash flow of USD 0.5 M

9M 2010

- Revenues of USD 36.7 M (growth year over year of 4.9% in constant currency)
- EBITDA of USD 8.6 M (23.4% of revenues)
- EBIT of USD 4.5 M (12.3% of revenues)
- Net income of USD 4.1 M (10.9 % of revenues)
- Operating cash flow of USD 4.0 M



Financials

Q3 results P&L

USD millions	Q3 2010	Q3 2009	% change	Q3 2010 (constant currency)	Q3 2009 (constant currency)	% change (constant currency)
Revenues	12.4	12.7	(2.4)%	13.7	13.6	0.7%
COGS	4.2	4.3	(2.3)%	4.7	4.7	-
Gross Profit	8.2	8.4	(2.4)%	9.0	8.9	1.1%
% of revenues	66.1%	66.1%		65.7%	65.4%	
Operating expenses	6.9	6.5	6.2%	7.6	7.0	8.6%
EBIT	1.3	1.9	(31.6)%	1.4	1.9	(26.3)%
% of revenues	10.5%	15.0%		10.2%	14.0%	
EBITDA	2.7	3.3	(18.2)%	2.9	3.4	(14.7)%
% of revenues	21.8%	26.0%		21.2%	25.0%	
Financial & other expenses	0.4	0.1	300.0%	0.5	0.1	400.0%
Taxes on income	0.1	0.6	(83.3)%	0.1	0.6	(83.3)%
Net income	0.8	1.2	(33.3)%	0.8	1.2	(33.3)%
EPS	0.08	0.12	(33.3)%	0.08	0.12	(33.3)%

Constant currency exchange rates - In order to enable meaningful comparison between the 2010 and 2009 results, 2010 and 2009 results are also presented at constant currency exchange rates. These are calculated by translating the 2010 results using the average exchange rates used for calculating the 2009 constant currency results (9M 08) instead of the current period exchange rates. Management believes that this presentation enables a more meaningful comparison between the periods due to the significant fluctuations in NIS/USD/Euro exchange rates.

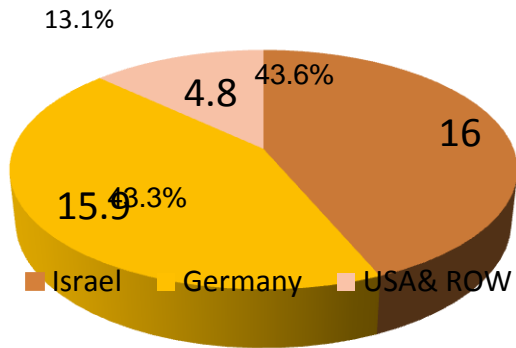
9M results P&L

USD millions	9M 2010	9M 2009	% change	9M 2010 (constant currency)	9M 2009 (constant currency)	% change (constant currency)
Revenues	36.7	34.7	5.8%	40.4	38.5	4.9%
COGS	12.3	11.7	5.1%	13.6	13.3	2.3%
Gross Profit	24.4	23.0	6.1%	26.8	25.2	6.3%
% of revenues	66.5%	66.3%		66.3%	65.5%	
Operating expenses	19.9	17.9	11.2%	21.9	20.1	9.0%
EBIT	4.5	5.1	(11.8)%	4.9	5.1	(3.9)%
% of revenues	12.3%	14.7%		12.1%	13.2%	
EBITDA	8.6	8.8	(2.3)%	9.4	9.3	1.1%
% of revenues	23.4%	25.4%		23.3%	24.2%	
Financial & other income	(0.3)	(0.4)	(25.0)%	(0.4)	(0.5)	(20.0)%
Taxes on income	1.0	1.5	(33.3)%	1.1	1.7	(35.3)%
Net income	3.9	4.0	(2.5)%	4.2	3.9	7.7%
EPS	0.37	0.38	(2.6)%	0.40	0.38	5.3%

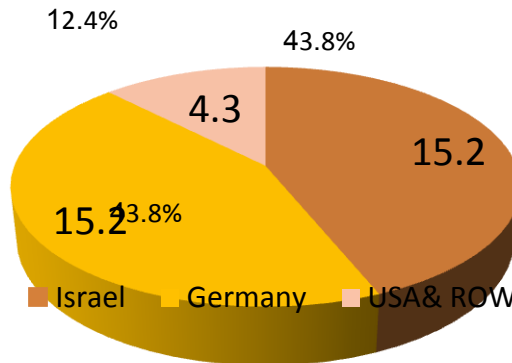
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Revenues by geographic distribution

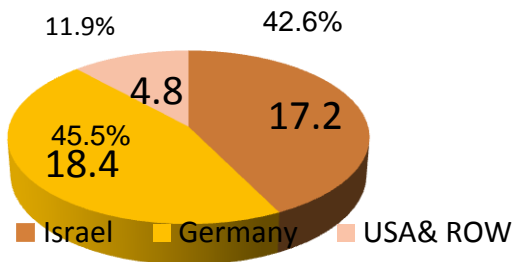
9M 2010



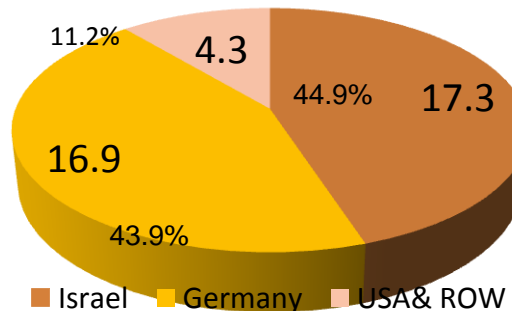
9M 2009



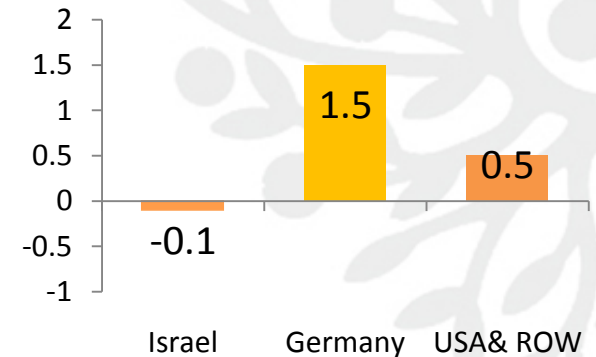
9M 2010 (constant currency)



9M 2009 (constant currency)

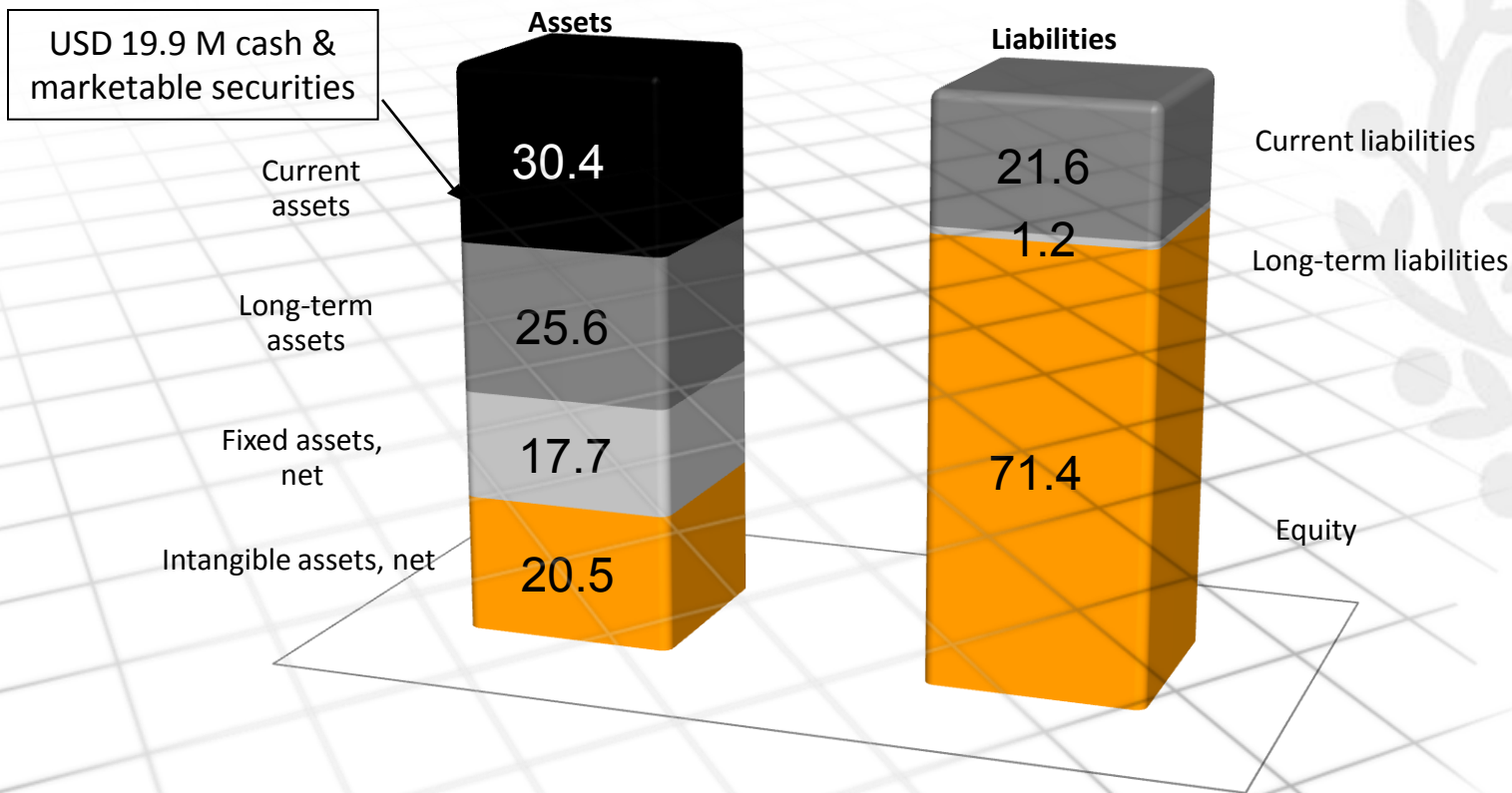


Growth by geography (in constant currency)



In USD million

30.9.2010 balance sheet



Q3/9M 2010 cash flow statements

USD millions	Q3 2010	Q3 2009	Diff	9M 2010	9M 2009	Diff
Cash provided by Operating activities	0.5	2.5	(2.0)	4.0	4.3	(0.3)
Cash used in Investing activities (ex. Marketable securities)	(1.7)	(2.8)	1.1	(5.1)	(6.4)	1.3
Cash provided by financing activities	0.6	0.7	(0.1)	0.5	0.5	-
Effect of exchange rate changes	0.9	0.5	0.4	0.4	0.1	0.3
Increase (decrease) in cash, cash equivalents & marketable securities	0.3	0.9	(0.6)	(0.2)	(1.5)	1.3
Cash, cash equivalents & marketable securities at beginning of period	19.6	21.1	(1.5)	20.1	23.5	(3.4)
Cash, cash equivalents & marketable securities at end of period	19.9	22.0	(2.1)	19.9	22.0	(2.1)



Appendix

Investor information

Data

- IR Agenda 2011
 - 09 March FY 2010
 - 11 May Q1 results
 - 31 May AGM
 - 10 August Q2 results
 - 16 November Q3 results
- 10,778,794 registered shares with a par value of NIS 0.01 each
- Listed at SIX Swiss Exchange in CHF; Symbol: SHLTN, No. 1128957
- Price high/low (CHF), 2010 7.80/6.25
- Market cap high/low (CHF m), 2010 84.1/67.4
- Market cap 30.09.10 (CHF m) 79.8
- No voting restrictions

Contacts

Erez Alroy, Co-CEO

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Erez Alroy has been an executive manager of SHL since its inception. Prior to his current position as Co-CEO he served as SHL Israel's managing director and as SHL Israel's sales manager and vice-president of marketing. Erez Alroy holds an MBA from the Hebrew University, Jerusalem.

Eran Antebi, CFO

erana@shl-telemedicine.com



Eran Antebi joined SHL in May 2004 as CFO of Shahal Israel and was appointed CFO of SHL in May 2008. Prior to joining SHL, he was a manager with Ernst & Young in Israel. Eran Antebi is a certified public accountant (CFA) in Israel and has a B.A. in accounting and economics from the University of Tel Aviv.