



SHL Telemedicine Q1 2012 Results 30 May 2012

Conference Call, 11.00 am CET - Dial-in numbers :
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From Israel: 1 80 921 44 27

Forward Looking Statements



- This presentation contains forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We caution you not to place undue reliance on forward-looking statements, which reflect our analysis only and speak only as of the date of this presentation. We undertake no obligation to publicly update the forward-looking statements to reflect subsequent events or circumstances.
- This presentation contains trade names, trademarks and service marks of other companies. We do not intend our use or display of other parties' trade names, trademarks and service marks to imply a relationship with, or endorsement or sponsorship of, these other parties.

SHL at a Glance



- 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
- Technological innovation; ongoing development of IT based services and solutions
- Active in Israel, Germany and USA
- Listed on the Swiss Stock Exchange (Zurich)

Telemedicine innovator

Medical monitoring centre

Congestive Heart Failure

B2C and B2B

Diabetes

COPD

Israel

ECG monitoring



smarth^{heart}

Germany

SIX Swiss Exchange

1.5 million transmissions p.a.

Business Update



- Germany:

- Positive shift in strategy to pursue long-term large scale contracts:
 - Secured major contract with IKK Sudwest in March
 - Telemedicine services to CHF patients
 - Commencing recruitment of patients
 - Won a multi-year tender with AOK Bayern in May :
 - One of the two largest health insurers in Germany with over 4 million insured
 - Telemedicine services to COPD patients
 - Agreement expected to be closed early Q3

- Israel:

- Continue producing good financial performance with improved operating margins
- SHL's operation is continuing to lead the Israeli telemedicine market and serves as an important knowledge base for the Company

Financial Highlights



- Decline in revenues and financial performance reflecting transition in Germany concurrently with cessation of revenues from Philips US
- Adjusted expense base to accommodate for reduced operations in Germany
- Expect revenues and financial performance to pick up gradually with execution of contracts in Germany
- Strong cash position with USD 31.7 M in cash and marketable securities
 - Means to support expansion plans and large scale contracts in Germany

Q1 2012 Results

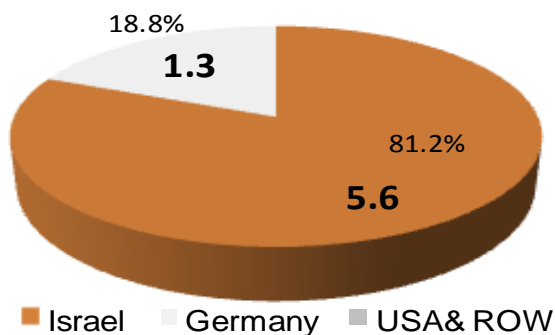


USD millions	Q1 2012	Q1 2011	% change	Q1 2012 (constant currency)	% change (constant currency)
Revenues	6.9	11.5	(40.0%)	7.2	(37.4%)
COGS	3.3	3.9	(15.4%)	3.4	(12.8%)
Gross Profit	3.6	7.6	(52.6%)	3.8	(50.0%)
% of revenues	52.2%	66.1%		52.8%	
Operating expenses	4.2	6.2	(32.3%)	4.5	(27.4%)
EBIT / (LBIT)	(0.6)	1.4	n.a.	(0.7)	n.a.
% of revenues	n.a.	12.2%		n.a.	
EBITDA	0.6	2.5	(76.0%)	0.6	(76.0%)
% of revenues	8.7%	21.7%		8.3%	
Financial & other expenses	0.4	0.1	300.0%	0.4	300.0%
Taxes on income	0.5	0.3	66.7%	0.5	66.7%
Net income (loss)	(1.5)	1.0	n.a.	(1.6)	n.a.
EPS / (LPS)	(0.14)	0.10	n.a.	(0.15)	n.a.

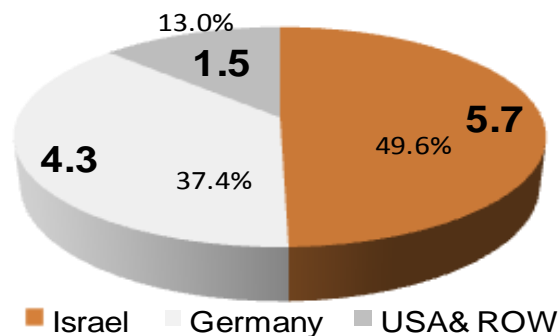
Constant currency exchange rates - In order to enable meaningful comparison between the 2012 and 2011 results, 2012 results are also presented at constant currency exchange rates. These are calculated by translating the 2012 results using the average exchange rates used for calculating the 2011 results 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.

Revenues by Geographic Distribution

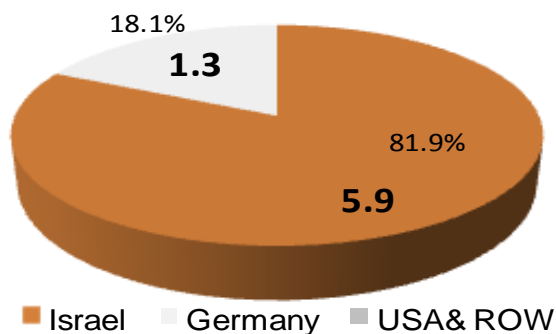
Q1 2012



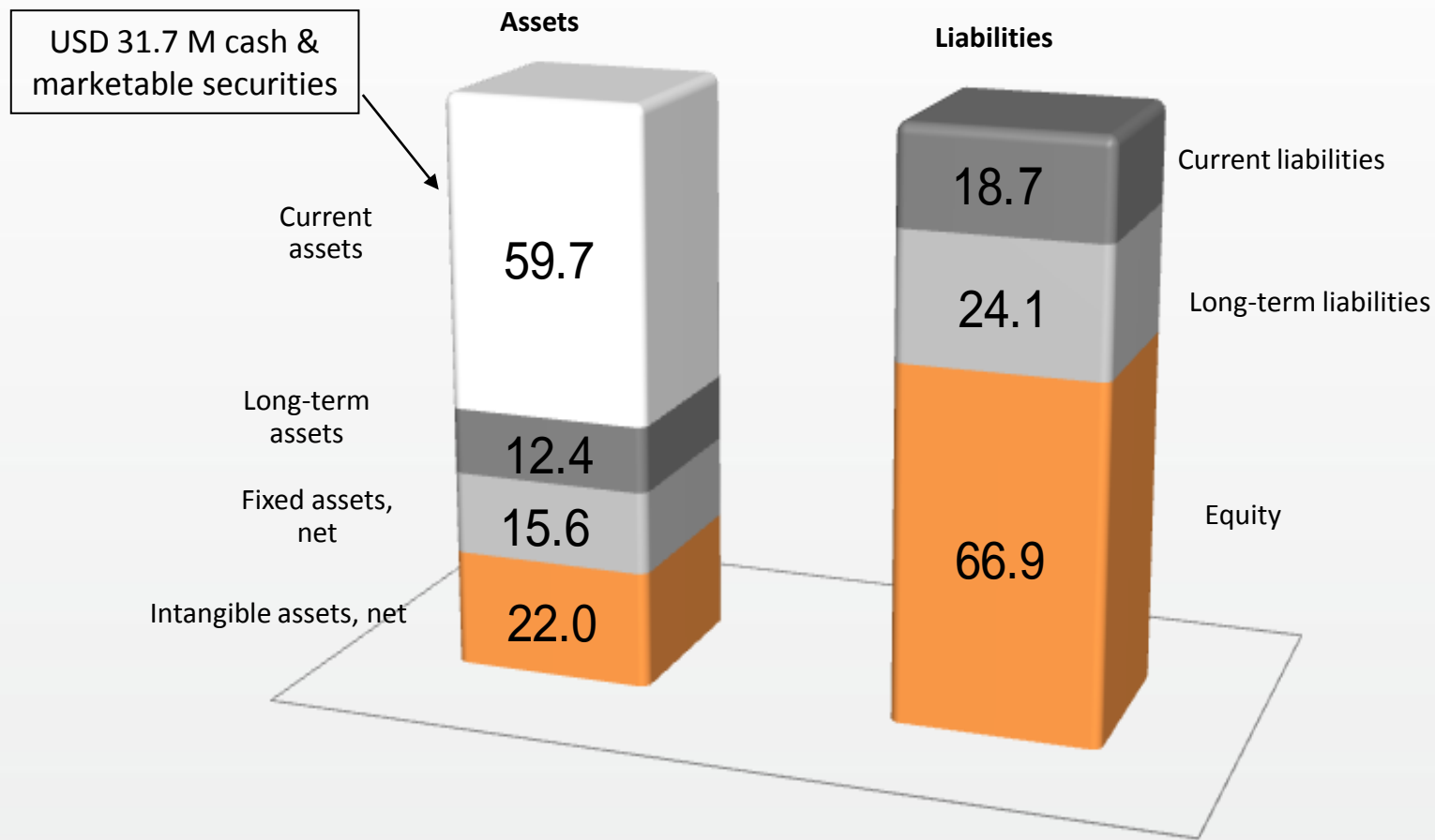
Q1 2011



Q1 2012 (constant currency)



31.03.2012 Balance Sheet



Q1 2012 Cash Flow Statements



USD millions	Q1 2012	Q1 2011	Diff	2011
Cash used in Operating activities	(1.0)	(0.1)	(0.9)	(3.5)
Cash provided by (used in) Investing activities (ex. marketable securities)	(0.7)	(1.3)	0.6	(4.9)
Cash provided by (used in) financing activities	(0.8)	5.0	(5.8)	23.8
Effect of exchange rate changes	0.9	(0.2)	1.1	(2.3)
Increase (decrease) in cash, cash equivalents & marketable securities	(1.6)	3.4	(5.0)	13.1
Cash, cash equivalents & marketable securities at beginning of period	33.3	20.2	13.1	20.2
Cash, cash equivalents & marketable securities at end of period	31.7	23.6	8.1	33.3



Thank You

... the original idea keeps evolving: shape the medicine of tomorrow

Profile

Origin

Provide piece of mind

- Provide immediate help for people with heart attacks
- IT based 24/7 monitoring centre significantly reducing response time, saving lives

Evolution

The consumer has it all

- Growing consumerism in health related matters
- Paradigm shift thanks to internet, mobile telecom infrastructure and smartphones

New markets

Increase compliance, reduce costs improve quality of living

- Services to health insurers for chronically ill patients
- Consumer services
- Develop services in new disease areas

Tomorrow

Remote access to 1st class medicine, anywhere, anytime

- Smartphone platform based devices
- Offering support for acute event and other medical information and needs
- Accessible from everywhere anytime

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"> - Emergency response without need to go to hospital - Peace of mind/improved quality of life - Life saving • Tools: Cardio Sen'C/ Cardio'B/Smarterheart
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 benefits <ul style="list-style-type: none"> - Stabilizing health of patients, improved compliance - Significant cost reduction for health insurer - Peace of mind/improved quality of life • 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 benefits <ul style="list-style-type: none"> - Better metabolic control and less vascular complications - Significant cost reduction for health insurer - Peace of mind/improved quality of life • 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 benefits <ul style="list-style-type: none"> - Significant cost reduction to health insurer by increasing compliance - Possibility to foresee potential attacks - Peace of mind/improved quality of life • Tools: HomeCareCenter, Respirometer

Investor Information

Data

- IR Agenda 2012
 - 12 June AGM
 - 22 August Q2 results
 - 21 November Q3 results
- 10,784,257 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), 2012 7.2/5.28
- Market cap high/low (CHF m), 2012 77.6/56.9
- Market cap 31.03.12 (CHF m) 74.4
- 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.

