



# D. Medical Industries Ltd.

Initial Public Offering  
July 2010

# Forward-Looking Statements

This presentation is presented solely in conjunction with D. Medical Industries Ltd.'s ("D. Medical") Registration Statement on Form F-1 as filed with the U.S. Securities and Exchange Commission on July 13, 2010 (the "Registration Statement").

D. Medical may not sell the securities registered pursuant to the Registration Statement until the U.S. Securities and Exchange Commission declares the Registration Statement effective. The securities under the Registration Statement are not offered for sale in any state or country where the offer or sale of such securities is not permitted.

You should rely only on the information contained in the preliminary prospectus included in the Registration Statement (the "Preliminary Prospectus") and any free writing prospectus which D. Medical files with the U.S. Securities and Exchange Commission. The information provided in this presentation is a summary and you should read the entire Preliminary Prospectus carefully.


This presentation contains forward-looking statements that involve risks and uncertainties. These statements include, inter alia, forecasts, goals, uncertainties and assumptions. The forward-looking statements are based on our current subjective expectations and beliefs which are based, among other things, on analysis of general information and market research reports. All forward-looking statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements. If one or more of these risks and/or uncertainties will materialize, or if the underlying assumptions prove to be incorrect, our actual results, performance or achievements could differ materially from those expressed in, or implied by, any such forward-looking statements or results which are based upon such assumptions. Please carefully review the section of the Preliminary Prospectus entitled "Forward-Looking Statements."

Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or of any of them will transpire or occur, what impact it will have on our results of the operations or financial condition.

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Note: translations of NIS amounts into U.S. dollars are made solely for your convenience based on the exchange rate of NIS 3.875 to US\$1.00, the representative rate of exchange as of June 30, 2010, as published by the Bank of Israel.

# Offering Summary



Issuer:	D. Medical Industries Ltd.
Amount offered:	\$30 million (excluding over-allotment)
Trading symbols:	NASDAQ: DMED TASE: DMDC
Underwriters:	Rodman & Renshaw, LLC ThinkEquity LLC

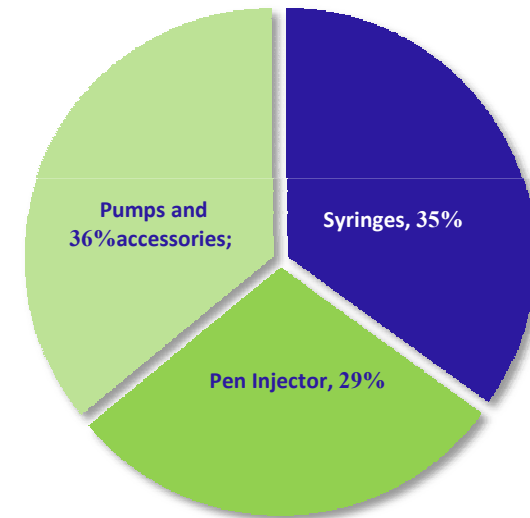
# Company Snapshot

- Business focus: Multiple product insulin delivery company
- Spring-based proprietary delivery technology
- As a result of an advantageous cost structure, poised for market penetration, particularly in the significant markets of the developing world



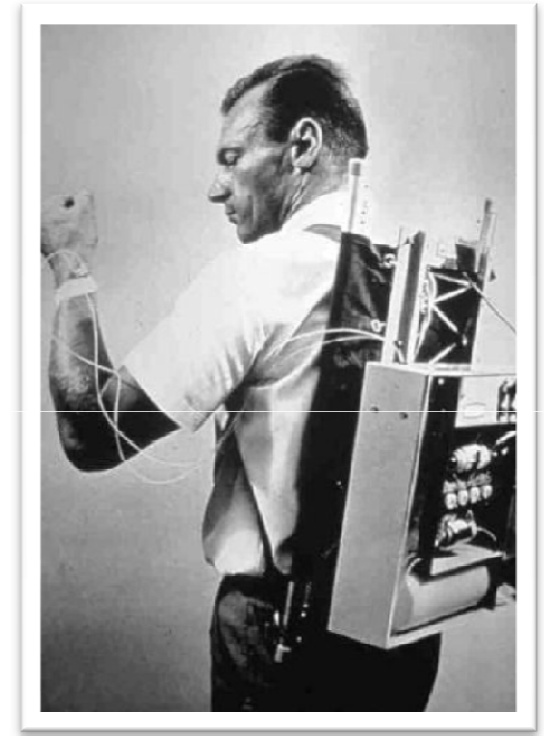
# Diabetes 101

- Two types of diabetes
  - ▣ Type 1 (10%) – body does not produce insulin at all; insulin dependant
  - ▣ Type 2 (90%) – body produces insulin, but not enough; may progress to insulin dependence over time
- Insulin delivery methods (market share as a percentage of revenues)\*\*:

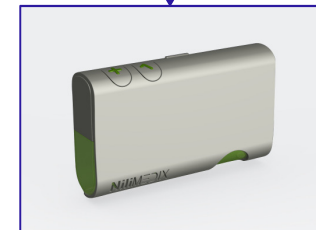


# What are Insulin Pumps?

- Today's pumps are motor and gear train based
- Attached to the user's body at all times
- Mimic the biological function of the pancreas
- Provide a constant drip of insulin
  - Basal - constant background/baseline amount of insulin which is present whether or not a person eats
  - Bolus - quick burst of insulin to compensate for eating, drinking, etc.; initiated by patient



1978



2010

# What are the Advantages of Insulin Pumps?

## □ Lifestyle Benefits

Insulin pumps allow patients to perform their day-to-day activities with limited interruption:

*“By using an insulin pump, you can match your insulin to your lifestyle rather than adjusting your lifestyle to your body's response to insulin injections.”*

*American Diabetes Association*

## □ Clinical Benefits

Insulin pumps help patients achieve better glucose control with less insulin:

*“CSII group achieved **less hypoglycaemic** events along with significant reduction in HbA1c while utilizing **less insulin units**”*

*Continuous subcutaneous insulin infusion versus multiple daily injections, Karagianni P et al., Hippokratia. 2009 Apr;13(2):93-6.*

# Better Glucose Control = Better Outcomes

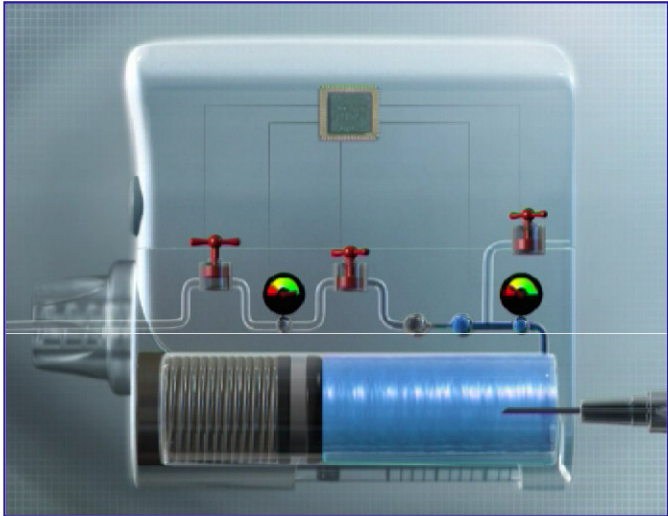
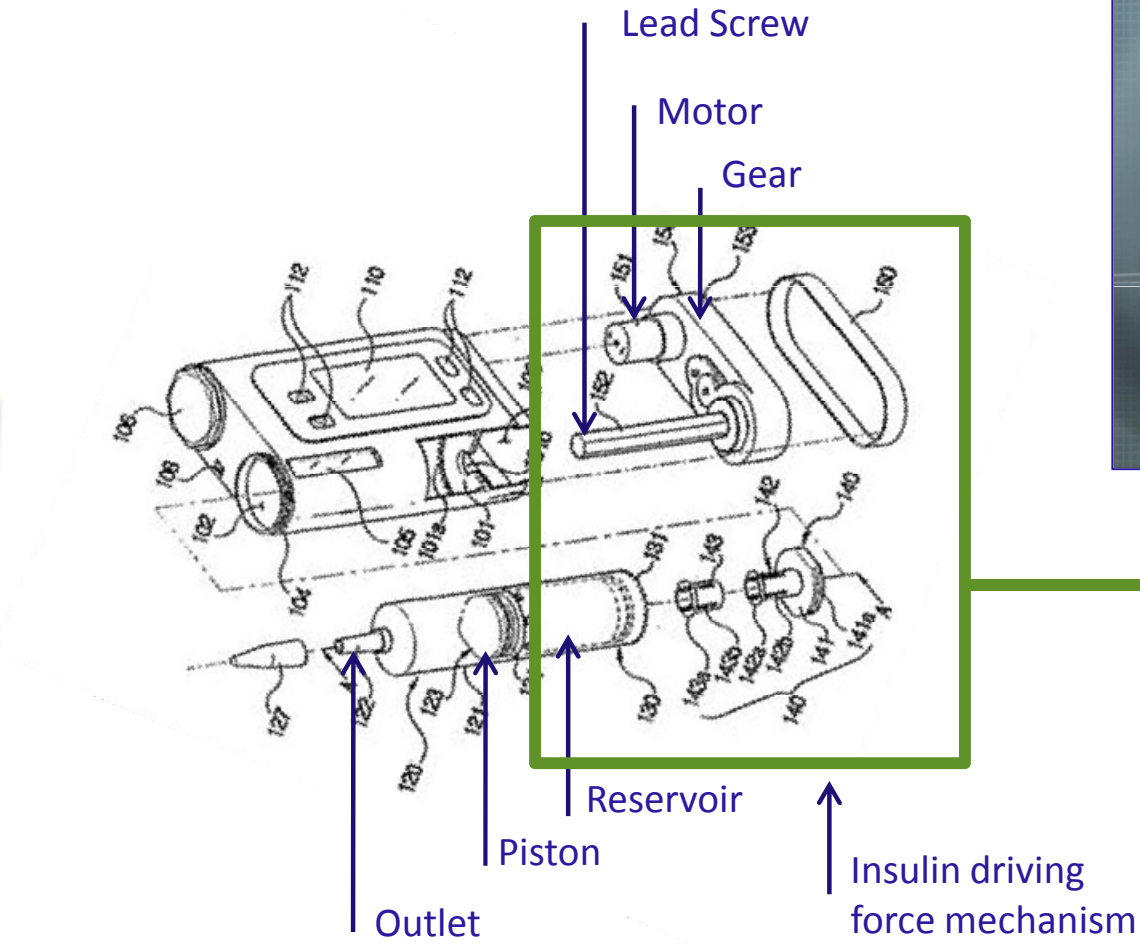
Intensive blood glucose control results in:

- 76% risk reduction in eye disease
- 60% risk reduction in nerve disease
- 57% risk reduction in nonfatal heart attack, stroke or death from cardiovascular causes
- 50% risk reduction in kidney disease
- 42% risk reduction in any cardiovascular disease event



# Motor vs. Spring

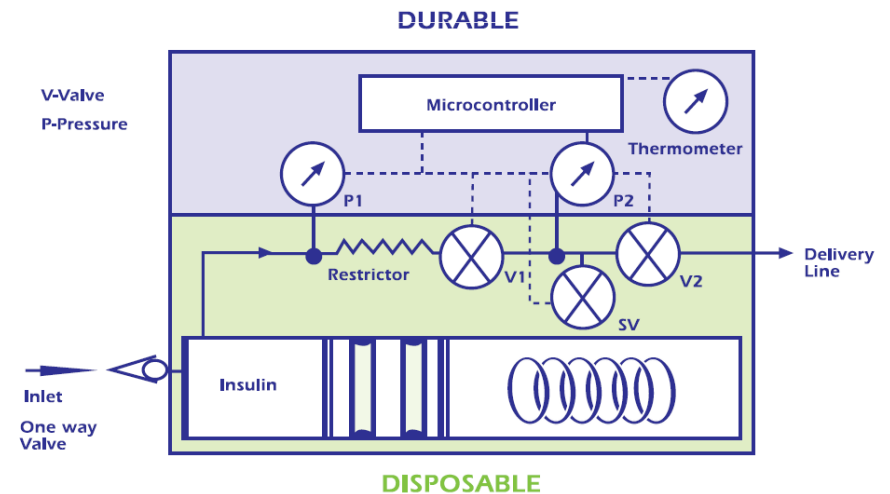
## Spring Based Pump



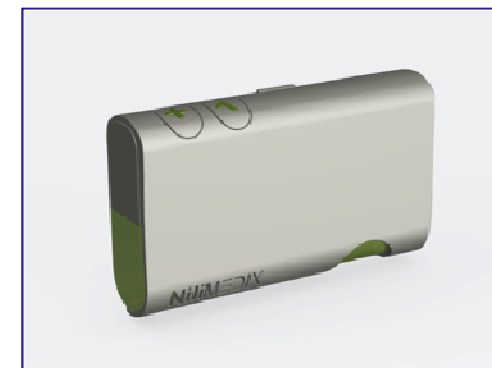
## Motor Based Pump

# Core Technology

- Spring-based proprietary delivery technology, eliminating the need for a motor and gear train
- Air bubble and detachment detection
- All moving elements are in the disposable unit
  - ▣ Service and reliability advantage
- Substantial weight reduction and size miniaturization
  - ▣ Allows maximum discreetness for users



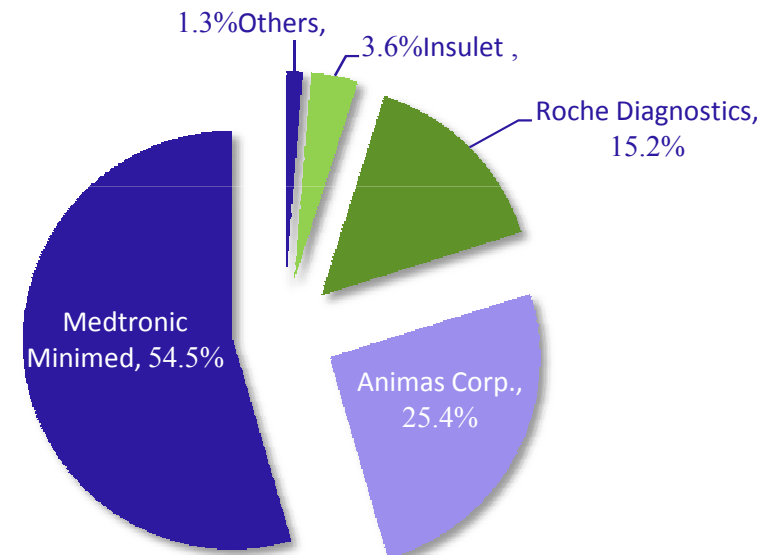
**Patch Pump**



# Market in the Developed World is Large and Well-Served

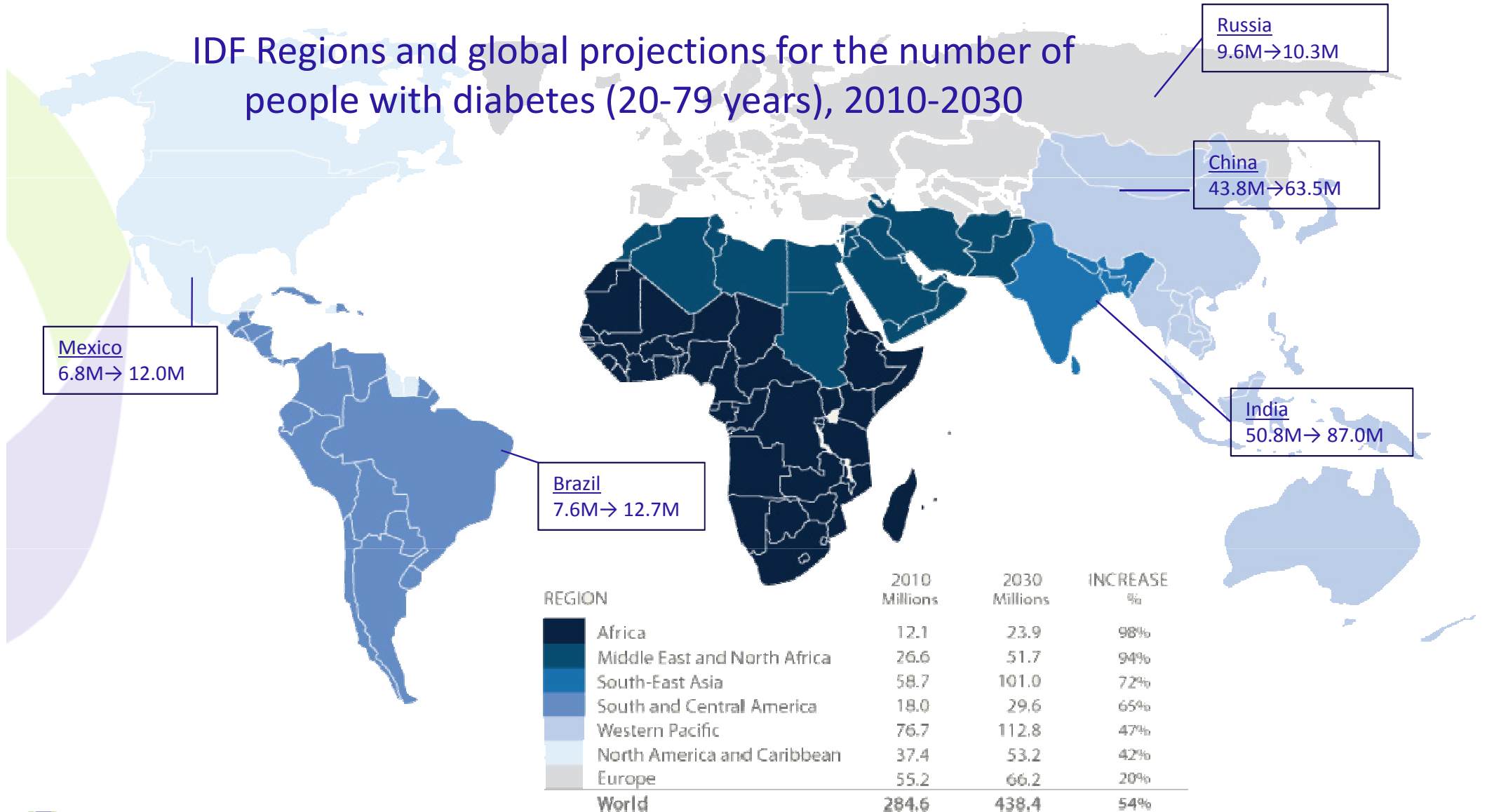
- \$1.6 Billion insulin pumps and administration sets market
- All current products competing in the market operate on a motor and gear train technology
- There are 4 major players in the US and EU\*\*:

Insulin Pump Systems, Market Share by Supplier 2008



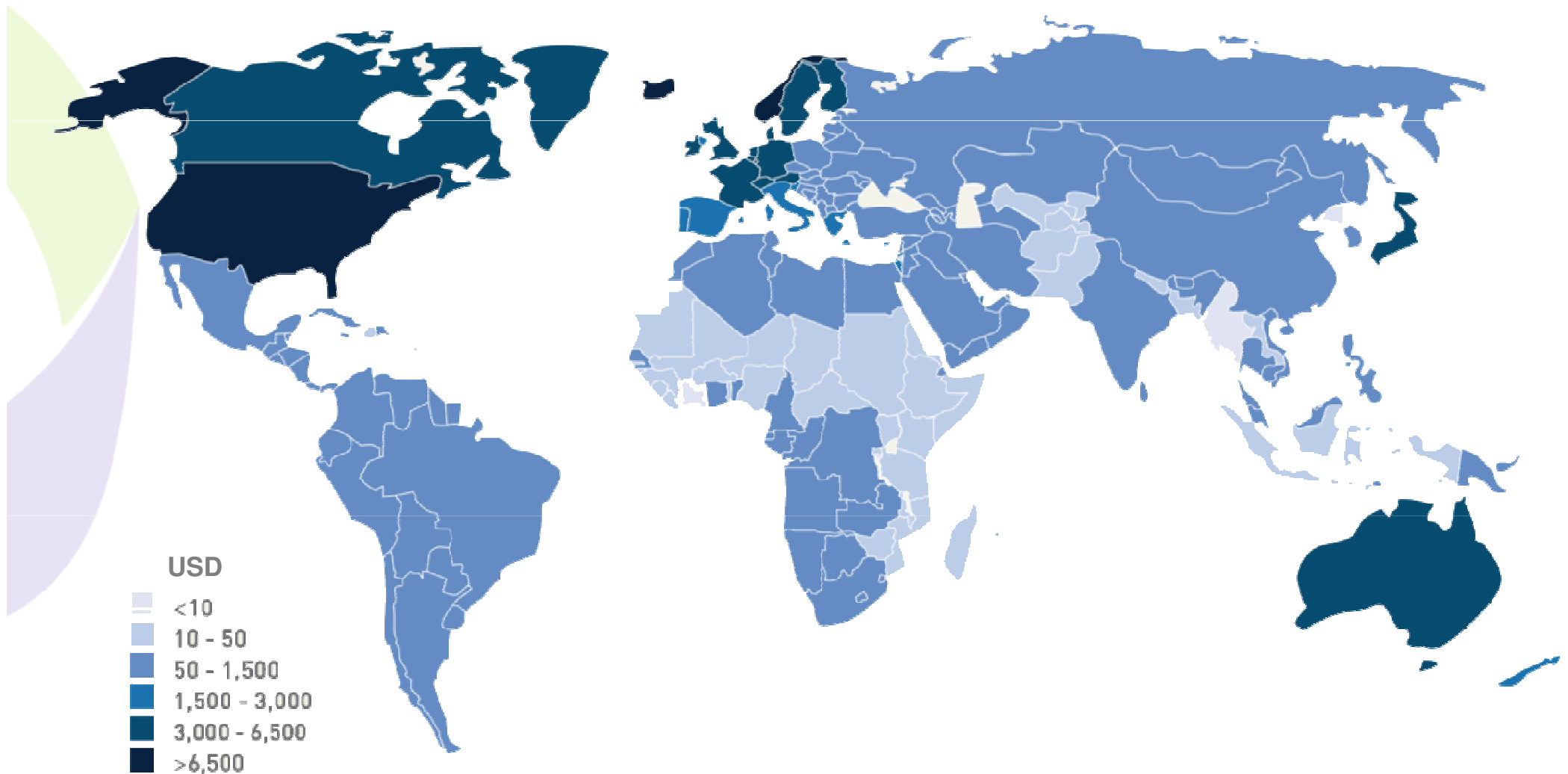
# Significant Growth of Diabetes in the Developing World

IDF Regions and global projections for the number of people with diabetes (20-79 years), 2010-2030



# At the Same Time, Developing World is Underserved

Mean health expenditure per person with diabetes (USD), 2010

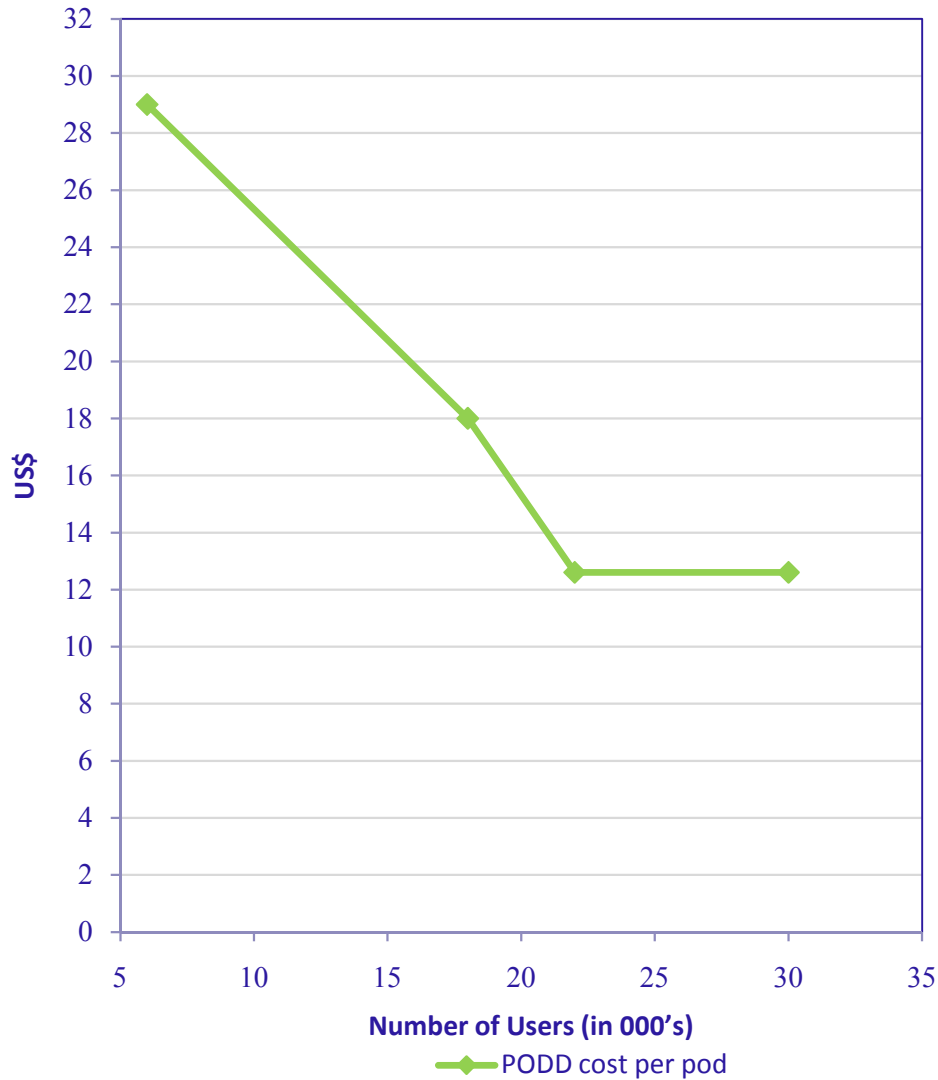


# Our Opportunity: Existing Markets Ex-US are Ripe for Penetration

- 70% of the current cases of diabetes occur in low- and middle-income countries\*
- Economic burden of diabetes in these countries is high:
  - ▣ In Mexico alone, direct and indirect costs associated with diabetes were estimated at \$15.1 billion in 2003\*\*
- Our initial targets are developing countries
  - ▣ China
  - ▣ Mexico
  - ▣ Brazil
  - ▣ Russia
  - ▣ India



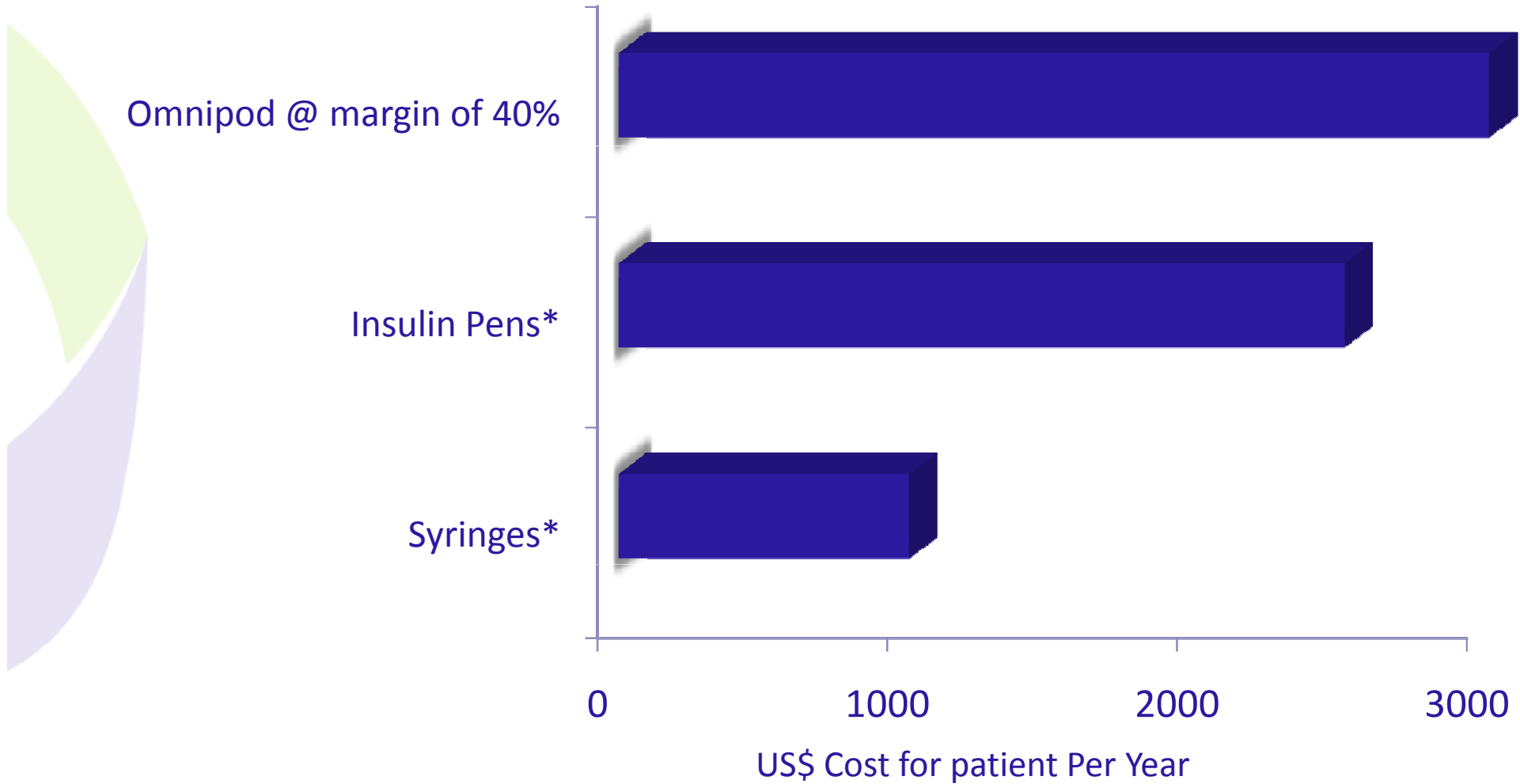
# Our Cost-Effectiveness Advantage



## Insulet (“PODD”) History

- Original ~\$29
- Reduced to ~\$18 via economies of scale
- Estimated to go as low as ~\$13 once they hit 22,000 units

# Translates into Our Pricing Advantage



# Go-to-Market Plan

- EU - in the midst of an EU launch campaign
- Emerging markets – Partnered with distribution partners in China and Mexico; key requirements:
  - Deep pockets / management conviction in diabetes market
  - Endocrinology reach and coverage
  - Strong brand / market position/ credibility
  - Ability to work with government and large healthcare organizations
- Brazil, India and Russia - local plans suited for each market
- US market to be initiated with Universal DD with a strategic partner



# Our Opportunity is Well Protected

- Our technology, in and of itself, is difficult to imitate
- Our spring-based delivery technology is protected by several issued patents in the United States, Europe and Israel
- Our air bubble detection feature is protected by issued patents in the United States, Canada and Singapore
- We have a number of other patents pending in various jurisdictions covering these and other D. Medical technologies

# Wide Product Breadth



## Adi Insulin Pump

- Reliable
- Safe
- User friendly

CE ✓

FDA ✓

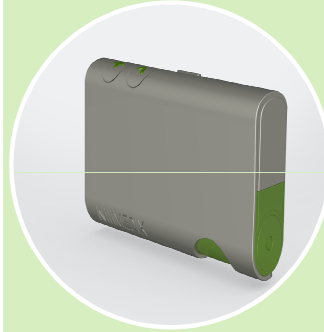


## Universal DD Infusion Set

- Unique detachment detection mechanism
- Compatible with any luer lock pump

CE ✓

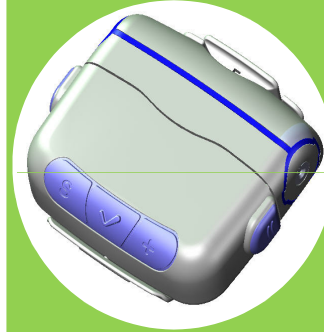
FDA application submitted



## Patch Pump

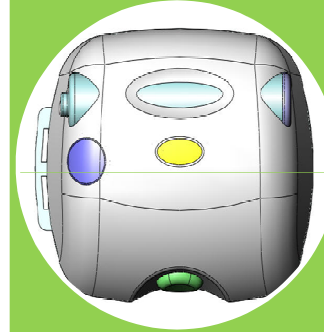
- Discreet
- Operable with/without remote control
- No tubing, small and waterproof
- Easy to use

CE ✓



## Pump + CGM

- Single patch for both
- Optional communication between pump and CGM



## MEMS Technology

- Breakthrough technology delivers accuracy coupled with miniaturization

**Spring**<sup>™</sup>

# Experienced Management

Executive	Position	Experience
<b>Efri Argaman</b>	CEO	<ul style="list-style-type: none"><li>• 15 years of senior leadership experience</li><li>• CEO of ITGI Medical (TASE:ITGI)</li><li>• Established distributorships in 34 countries</li><li>• Ernst &amp; Young LLP</li></ul>
<b>Amir Loberman</b>	CFO	<ul style="list-style-type: none"><li>• 15 years of senior financial experience</li><li>• CFO of ITGI Medical (TASE:ITGI)</li><li>• CFO of A. Rosenfeld Shipping</li></ul>
<b>Israel Tal</b>	VP, Marketing & BD	<ul style="list-style-type: none"><li>• VP of Sales and Marketing for Karmel Sonix</li><li>• VP of Sales at Power Paper</li></ul>
<b>Hezkiah Tsoory</b>	COO	<ul style="list-style-type: none"><li>• COO of MCS (TASE:MDCL)</li><li>• VP, Operations at Mentorwave</li></ul>

# Strong Board (Partial List)

## Director

**Meni Mor**

## Experience

- Former CEO of D. Medical and Biomedix Incubator
- Serves on a number of Israeli healthcare company Boards

**Barry H. Ginsberg, MD, PhD\***

- Internationally-recognized expert in diabetes
- VP of WW Medical Affairs for the Diabetes Division of BD
- Senior advisor to China Diabetes Education Program

**Zeev Bronfeld**

- Chairman of Protalix (AMEX: PLX)
- Serves on a number of Israeli healthcare company Boards

**Eyal Sheratzky**

- Co-CEO of Ituran (TASE & NASDAQ listed)

**Nir Sheratzky**

- Co-CEO of Ituran (TASE & NASDAQ listed)
- Serves on a number of Israeli company Boards

*\*Board Nominee*

# Summary

- We aim at providing advanced insulin delivery devices at an affordable price through our proprietary spring technology
- We will leverage our attractive product offering and cost-effectiveness to put a stake in strategic markets
  - Epidemic growth of diabetes in the developing world
  - Developing world without relevant product offering while diabetes epidemic is exploding requires a tailored answer
- We have an extensive IP portfolio and a strong management team
- Potential upside from other drug delivery applications

# Thank You!

**During the IPO Roadshow, For Further  
Information Please Contact:**

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