



# ANNUAL REVIEW



TEL-AVIV STOCK EXCHANGE





ANNUAL REVIEW | 2011

# MAIN INDICATORS 2009-2011

## THE TEL-AVIV STOCK EXCHANGE

	2009	2010	2011
<b>ANNUAL DOLLAR YIELD*</b>			
TA-25 Index	76.1%	23.2%	(24.0%)
TA-100 Index	90.1%	22.3%	(25.7%)
Blue-Tech 50 Index	94.0%	16.0%	(15.8%)
TA-Finance Index	128.5%	16.3%	(38.7%)
Real Estate-15 Index	126.8%	22.7%	(28.7%)
General Bond Index	16.4%	14.9%	(4.8%)
Government Bond Index - "SHAHAR"	3.2%	13.0%	(1.6%)
Corporate Bond Index - Tel-Bond 20	22.5%	18.2%	(6.5%)
<b>DAILY TURNOVER (US \$ millions)</b>			
Shares and Convertibles (Including ETNs)	432	547	482
Bonds (Including ETNs)	1,035	875	1,054
Treasury Bills	163	320	328
TA-25 Index Options (Thousands of contracts)	252	289	357
Dollar Options (Thousands of contracts)	33	33	43
<b>Capital Raised (US \$ billions)</b>			
Shares and Convertibles	2.0	3.6	1.8
Thereof: Capital raised in Israel	1.7	3.4	1.4
Government Bonds - Net	7.6	2.6	0.7
Non-Government Bonds	9.3	11.5	11.4
Thereof: Issues to Institutionals	0.9	0.9	1.6
<b>Market Capitalization (US \$ billions)</b>			
Shares and Convertibles (Excluding ETNs)	189.4	227.1	157.1
Government Bonds	97.3	109.7	107.0
Non-Government Bonds (Excluding ETNs)	77.1	90.9	86.0
ETN Assets Under Management	11.9	15.5	12.7
Treasury Bills	22.6	38.1	32.1
<b>Number of Shares Listed Companies</b>	<b>622</b>	<b>613</b>	<b>593</b>

## MAJOR WORLD STOCK EXCHANGES' INDICES

ANNUAL YIELD (In local Currency)	2009	2010	2011
S&P 500 Index	23.5%	12.8%	0.0%
NASDAQ 100 Index	53.5%	19.2%	2.7%
DOW-JONES Index	18.8%	11.0%	5.5%
DJ Euro STOXX 50 Index	21.2%	(5.8%)	(17.1%)
FTSE 100 Index	22.1%	9.0%	(5.6%)
DAX Index	23.8%	16.1%	(14.7%)
NIKKEI 225 Index	19.0%	(3.0)%	(17.3%)
MSCI EM Index	74.5%	15.5%	(20.1%)
<b>TA-25 Index</b>	<b>74.9%</b>	<b>15.8%</b>	<b>(18.2%)</b>

\* In 2011 the Israeli Shekel devaluated 7.7% against the US Dollar.

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Dr. Yuval Steinitz,  
Minister of Finance



## Innovation and Growth

**T**he Israeli market presented impressive growth rates the past two years, and proved its robustness during and after the 2008-2009 financial crisis.

We managed to decrease our national debt and to keep unemployment at historically low level. In this context, I would like to emphasize the importance of our key growth engine - the technology-based sector, one of the fundamentals of the Israeli economy.

Innovating is the best way to utilize human capacity in order to upgrade the value of human labor and natural resources. New innovations are vital in order to advance standards of living in general and economic performance in particular. Small countries with limited natural resources must put special efforts on innovation if they wish to compete with the giants. Hence, it is mandatory to small and open economies like Israel to put special emphasis on promoting innovation and R&D investment in order to encourage growth and catch up with the most developed economies.

**Israel is indeed the "Start Up Nation". We are well known for our global achievements in the innovation sphere.** High-tech represents very high portion of our export - more than 37%. Israel is also ranked first in the world with (civilian) R&D investment equivalent to more than 4% of GDP (2010 CBS Data). The number of patent application (in the US) per capita is the highest in the world. Israel is also the world leader in Venture Capital investments per capita.

The Israeli government is supporting basic research and R&D activities on many levels in order to meet the highest standards of innovation. By fostering cooperation between the private and public sectors, academia and industry, on the national and international levels, Israel hopes to preserve and promote an environment in which innovation will flourish.

**The role of the government is to take the role of first tier safety net.** This will encourage local institutional investors to take the necessary risks and strides towards innovative endeavors. The government believes that there is a strong correlation between providing people with the necessary skills and attaining gainful employment. Therefore, the role of the government is to act as an accelerator in this arena.

The Israeli government has identified 3 main areas that need to be strengthened. These include:

1. Linkages between basic research in academy and commercial applied research;
2. The need to mitigate the risks taken when investing in preliminary research; and
3. The need to increase collaboration between national and international institutions.

In order to strengthen these aspects the Israeli government has taken a number of initiatives.

In the field of higher education the government and the Council for Higher Education have established a six year strategic plan. The plan includes a significant additional budget for promoting excellence in research and in the quality of teaching, as well as integrating 2000 new faculty members and establishing 30 research excellence centers. The research centers will create clusters of knowledge in their specific fields, including the sciences, technology, social sciences and humanities.

Along with this, linkages are being formulated between industry and academia through the creation of a new support track. This track will offer research grants to scientists at academic institutions, research institutes and hospitals laboratories, with the potential for industrial and commercial use in Israel.

The Government has also announced the "Competitive Advantage Program," which aims at encouraging and strengthening the technology industry, and is comprised of a number of tools that address all development stages of a start-up, including:

1. The "Angels Law" which gives tax benefits to investors who invest in companies at an early stage (seed money).
2. Encouraging local institutional entities to invest in venture-capital funds, the state's providing downside protection up to 25% of the investment.
3. An effort to develop the Biotech industry. Recently the Government signed an agreement to establish a joint fund with the largest international Biotech fund. The fund has already started to invest in life sciences companies, focusing in particular on the bio-pharma sector, which the state has identified as a field with a lot of untapped potential.
- 4. We created special program to encourage multinational banks to open financial R&D centers in Israel with some success even at early stage of the program.**

We all understand the importance of international cooperation and the collaboration of minds. As an immigrant society, Israel profoundly understands the benefits of differing world views. This is one of the reasons why we view international cooperation as a principal driver of innovation and growth. Israel has recently signed R&D cooperation agreements with foreign countries and major multinational companies. This will assist in building strong links between innovative partners, while integrating research, higher education, and industry. Israel's commitment to international cooperation in the field of innovation has led to its current position of holding the chairmanship to EUREKA, one of the leading industrial R&D cooperation platforms in Europe.

Of course we look eastward as well. The emerging markets of the Indian and Chinese giants are natural partners for our economic aspirations. Creating the effective channels for economic and business ties is very high priority for us. We would like to create new investment vehicles, encouraged by the governments, through new R&D agreements, government-private funds and financial protocols. Thus we hope to enhance the ties between our markets and to use cultural similarities and policy measures to facilitate this cooperation.

To conclude, Israel is a small economy in a global market. To exhaust our relative advantage – our human capital and innovative nature – the Government should encourage the entrepreneurial spirit. We can't tell what will be the industry of the future. Many of the Israeli inventions are driven by our unique circumstances – such as electric car elements or oil-substitutes due to our hostile surroundings; or even water desalination technologies because of our water scarcity. Israel can be the world laboratory or beta-site, which will be mutually beneficiary for any country or corporation who will join us in this venture.



## 2011 >> Review of Events

> 2011 bore witness to an economic turnaround in the world economy, which reverberated on the Israeli economy and the Tel Aviv Stock Exchange (TASE) as well. The hesitant rebound from the 2008/9 financial crisis did not prove to be sustainable and various attempts to bring the national budgets of most western countries under control were largely unsuccessful. At the close of 2011, the fate of the Euro zone is still unclear. The shocks besieging western economies visited Israel's shores and were compounded by the impact of political instability throughout the Arab world. From the second quarter onward, a slowdown in economic activity in key Israeli industries has been felt and reflected in declining share prices.

It is fair to claim that the Israeli economy has been unjustly "hit", given the responsible and prudent economic policy conducted in Israel over the past years. That said, however, export industries comprise a foundation of the Israeli economy and the slowdown across Europe and the United States has had a significant impact on exports. In the summer of 2011, the economic slowdown came face to face with widespread public protest and demands for social justice. The policy response to this protest came in the form of the Trajtenberg Committee, which was charged with examining socio-economic reform in Israel. In addition to the Trajtenberg Committee recommendations, the Inter-ministerial Committee on Increasing Competitiveness in the Israeli Economy submitted its interim report, the core of which addresses the pyramid structure of key business

conglomerates in Israel.

The 2011 economic slowdown was first reflected in the price movements of the TASE TA-100 share price index and followed later by falling trading volume and declining primary market activity. Despite this, regular TASE operations and advances in its development projects continued at an intense pace.

The handling of public offerings and private placements did not decline significantly, despite the fact that many of the prospectuses prepared did not conclude in public offerings, as is characteristic of equity markets experiencing a downturn. At the same time, however, TASE had to invest significant time and effort in handling the corporate bond restructurings of financially distressed companies. Unfortunately, this trend continues for the third year running, following the 2008 financial crisis, and in 2011 TASE handled more than 50 restructurings. The experience accrued following the previous crisis underscores the need to amend the rules pertaining to debt restructuring arrangements.

The pattern of regular trading activity was also characteristic of transition periods. In terms of monetary value, trading volume declined together with the falling prices. In terms of the number of transactions, however, the order flow increased substantially relative to 2010. An increase in high frequency (algorithmic) trading precipitated growth in the number of orders



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submitted daily. In addition, volatile price movements fueled unusually active trading on record days. Activity on the options and bond markets grew as well. These developments necessitated enhancements of TASE's capacity to handle trading and data dissemination, entailing significant capital investment and the allocation of human resources. The welcome outcome of these efforts is reflected in TASE's ability to conduct flawless trading operations, even on days of particularly heavy order flow.

The sharp volatility experienced on numerous trading days signals a need to incorporate mechanisms to mitigate volatility into the TACT trading system. "Circuit breakers" for individual shares, operating in the same manner as the circuit breaker currently in place for the TA-25 index, are scheduled to be introduced in mid-2012. It is anticipated that they will contribute to reducing price volatility and errors and will enhance fair and orderly trade.

Towards the close of the 2011 year, TASE finalized preparations for the transition of shares and mutual fund units to a T+1 clearing and settlement cycle. With the completion of TASE member preparations for transition to T+1, which is scheduled for the first quarter of 2012, TASE will complete the final stage of the transition of all TASE-traded securities to a T+1 cycle. This will seal a key TASE multi-annual initiative, designed to upgrade the security of securities clearance and the stability of TASE's clearing houses, aligning them with internationally recognized standards. In the past years, Israel government bonds, T-bills and corporate bonds were moved to T+1 settlement, while the more complex transition of the equity market to T+1 was postponed to the final stage of the project. It is worth mentioning that the transition to the new T+1 clearing cycle was one of the key factors enabling the upgrade of TASE Clearing House's CSD rating to A+ in 2011. We would like to take this opportunity to thank the Bank of Israel's Payment and Settlement System Division for its close and proactive cooperation

throughout the entire project.

Another important project undertaken in 2011 was the "warm up" of TASE's new sophisticated IT backup facility and the seamless migration of trading operations from the main site to it, should this (heaven forbid) become necessary.

From the above list, it is evident that 2011 was dedicated to a large extent to cautionary preparations for a slowdown in activity. TASE has indeed consolidated systems and mechanisms designed to address activity on particularly difficult days and in emergency situations.

This preparedness is also reflected in TASE activity pertaining to its obligation to supervise the stability of its non-bank exchange members. Final approval for the new capital adequacy and liquidity requirements imposed on non-bank members was granted, closing a long and important chapter in TASE prudential supervision of non-bank members. Integration of the new model commenced in the first part of the year. As a result of lessons learned from the events of previous years, new rules for IT management by the non-bank TASE members were formulated to insure business continuity. It is anticipated that regulation will be completed in 2012.

While a focus was placed on stability and risk management, TASE activity was not limited to these issues alone. In 2011 the skeleton construction of the new TASE headquarters was completed and currently graces Ahuzat Bayit Street. The completion of construction is scheduled for the end of 2012, from which time the building will serve TASE's need for a cutting edge facility. In particular, TASE's IT hall is being revolutionized, based on a modern infrastructure as befits the central role information technology plays in TASE operations. TASE's current headquarters on Ahad Haam Street is a normal office building, which is incapable of serving TASE's complex computer systems and equipment demands. Construction of the new building places demands on managerial (as





well as financial) resources and it is anticipated that in 2012, the attention of TASE management will focus heavily on meeting challenging completion schedules.

TASE launched a variety of new products in 2011: new securities price indices, options on government ["Shachar type"] bonds and five additional stock options. Unfortunately, trading activity in the new options has been more sluggish than projected and in the coming year we will endeavor to encourage turnover and liquidity in these products. We would like to express our gratitude to the General Accountant's Division of the Ministry of Finance for their cooperation in developing the terms of the Shachar bond options.

In 2011, activity to increase the exposure of TASE and the Israeli capital market to foreign investors intensified. In addition to the traditional London investor conference and the Israel-American Chamber of Commerce conference in New York, TASE hosted delegations from abroad and its CEO appeared in numerous interviews covered by international media.

At the beginning of September, a partnership between TASE and the business television network, Bloomberg TV, was launched. In this framework, market data on the TA-25 shares is now broadcast five days a week, seven times daily. Interviews with leading figures in Israel's capital market are broadcast live from the TASE Visitor Center twice weekly and a review of the Israeli economy is produced and filmed by Bloomberg and aired once a month.

Our review of 2011 would not be complete without a few remarks about Israel's "summer of protest", which brought numerous issues that lay dormant for many years to the forefront of public attention. The cries for social justice throughout the summer have been displaced in past months by the "Arab autumn" and the EU credit crisis. We sincerely hope, however, that the Cabinet and the Knesset will heed the aspirations voiced by numerous segments of the Israeli public. We are hopeful that they will discover a formula that will perpetuate the growth of the national pie while promoting equity in how it is shared by all members of society.

Last month **Eli Hurvitz**, a shining pillar of Israel's business community, passed away. The saying for years has been: "Mother and Teva – there is no other". The same holds true for Eli – there is no other. Under his leadership Teva became Israel's largest enterprise and the world's largest generic drug manufacturer. Under his leadership Teva became a model enterprise, not only due to its exceptional business performance, but to its commitment to shareholders as well as the Israeli economy and society. May his memory be eternal.

**We conclude by expressing our gratitude to the Board of Directors, TASE management and staff for their hard work and productivity and to the Israel Securities Authority and the Bank of Israel for their assistance to TASE activities and its institutions.**

Saul Bronfeld • Chairman

Ester Levanon • CEO

# TASE 2011 BY THE NUMBERS

**718**

TASE-traded bonds

**137**

technology  
companies

**593**

companies  
with TASE share listings,  
of which 52 cross-listings  
on foreign exchanges

**11**

New companies  
in 2011, of which 2  
dual listings

**482**

million dollars  
average trading volume on  
TASE equities market

**23%**

portion of market-linked ETNs  
in total equity market turnover

**12.7**

billion dollars  
public holdings of ETNs

**432**

ETN series  
traded on TASE

**800**

million dollars  
largest corporate  
bond offering on TASE  
completed by Bezeq

**11.4**

billion dollars  
capital raised in public  
offerings and private placement  
of corporate bonds in 2011

**1.1**

billion dollars  
average daily bond  
market turnover

**357**

thousand  
TA-25 index options contracts -  
2011 average daily turnover =  
record average

**29**

TASE members  
of which 7 foreign banks  
and investment houses

**203**

thousand  
NIS/ \$ option contracts -  
all time record daily turnover,  
on January 20, 2011

# WHAT WE WERE UP TO

# IN 2011

## >> TASE as a "Tech" Center

The development of the Tel Aviv Stock Exchange as an International hub for technology companies and investors is one of TASE's strategic objectives. The TASE listing of hi-tech enterprises continued to constitute a focal point of TASE activity this past year. Several initiatives were carried out to further this goal:

**Listing regulations were adjusted** to extend the definition of "R&D company" for the purpose of TASE listing to companies whose holdings are exclusively [Chief Scientist Office approved] R&D companies. Accordingly, listing regulations were adapted to the Ministry of Finance program, and venture capital firms will be exempt from proving seniority upon a TASE listing.

The list of TASE-traded technology companies was **reclassified** and updated. Sub-industry "electronics" and "hi-tech investments" classifications were separated in preparation for their inclusion in a separate sector.

The program to encourage **analyst coverage of technology companies** that do not receive adequate coverage continued. The project is scheduled to be implemented in the first half of 2012.

More than 30 participants took part in a course on the **"Financial Analysis of Healthcare Companies"** initiated by TASE and held at LAHAV, the executive education division at Tel-Aviv University's Faculty of Management.

**Two new technology indices** - were launched. **The TA-Technology index** is a composite index of technology shares, including, electronics and communications equipment firms, IT companies, clean-tech firms (specializing in water, energy and waste treatment technologies) and technology (excluding biomed) investment companies.

**The BlueTech-50**, TASE's new flagship technology index, replaces the Tel-tech index and comprises the 50 most highly capitalized constituents of the TA-Technology and TA-Biomed indices.

TASE organized the first **"Entrance" conference**, which brought together 20 privately held technology firms [with IPO potential] with institutional investors.

TASE continues to cooperate with hi-tech industry organizations and events, such as: the **Fast 50 conference** which ranks technology companies bearing high growth potential; **Journey 2011** which attracts entrepreneurs and investors from Israel and abroad; and activities held by the **Israel High Tech Industry Association (HTIA)**, to mention a few.

## >> T+1

Preparation of the legal, IT and operational infrastructure for the transition of shares and mutual fund units to a T+1 delivery-versus-payment (DVP) clearing and settlement cycle was completed in 2011. With the transition of shares, the final stage of the transition of all securities to T+1 is coming to a close. Implementation is scheduled for March 2012. The same rules applicable to securities already cleared on a T+1 cycle

will apply to shares as well. The TASE Clearing House (TASE-CH) Board of Directors has already approved the principles governing the transition and the TASE-CH Bylaws have been comprehensively amended to accommodate T+1 DVP clearing and settlement of shares and mutual fund units. TASE-CH enhances and upgrades its clearing services and financial stability by adopting international standards of good practice. The Thomas Murray securities infrastructure rating agency raised its CSD rating of TASE-CH to A+.

## >> Risk Management

Risk management in 2011 focused on strengthening mechanisms for managing financial risk undertaken by TASE's two clearinghouses. Within this framework, methodologies for setting the scope of clearinghouse risk funds were reevaluated. Principles outlining clearinghouse procedures in the event of member default were formulated. At the same time, TASE preparedness for the integration of a comprehensive risk management (ERM) system continued by way of a preliminary mapping of high-risk focal points, as identified in the risk map guidelines articulated in 2010.

## >> The Whole Wide World

### S&P RAISES ISRAEL'S RATING TO A+

The Standard & Poor's credit rating agency has raised Israel's long-term foreign currency sovereign debt rating to A+. A statement issued by S&P cites the robustness of the Israeli economy and the prudent economic policy-making as reasons for the upgrade: "The rating action reflects our view of Israel's improved economic policy flexibility as a result of strong growth and careful macroeconomic management." The statement also expressed confidence in the ability of Israel's economic leadership to sustain its impressive economic performance: "Israel is on a credible path toward continued government debt burden reduction and stronger external indicators."

TASE has always assessed importance to promoting the global profile of Israel's economy and capital market, in order to increase the involvement of international investors in the local market.

The TASE Board of Directors approved the membership of two prominent international financial organizations - **Citigroup Financial Products Israel**, which commenced operations as a TASE member in the fourth quarter of the year and **Barclays PLC**. Citigroup Financial Products Israel and Barclays PLC, join the five global investment groups already represented on TASE: Citibank, Detusche Bank, HSBC, UBS and remote member, Merrill Lynch International.





As in the last years, the eleventh London investor conference was held last July. More than 200 European investors came to the event, with Prof. Stanley Fischer, Governor of the Bank of Israel, appearing as keynote speaker.

TASE's global exposure increased this year considerably, in large part due to a joint initiative between TASE and the Bloomberg Television Network. Bloomberg Television broadcasts live from the TASE Visitor Center twice a week, interviewing Israeli business, financial and economic figures. Market data from TASE, including index and corporate share prices, airs daily on the channel, and each month a report featuring broader macro-economic themes in Israel is produced and aired globally.

International index vendors introduced **new indices based on TASE-listed equities** to their product lines. S&P launched the TA-energy, TA-communications, Israel BMI Capped Growth and Israel BMI Capped Value indices, while Dow Jones initiated the Israel Select Consumer and Israel Select Gas & Oil indices. Since their inception, TASE-traded ETNs have been issued on these indices.

## >> Upgrading IT Systems

Sharp market volatility, increased order flow and growing data dissemination requirements have made it necessary for TASE to continue its efforts to upgrade the performance of its trading system. As part of the systems upgrade, trading and back office applications and infrastructure were enhanced, which led to an overall improvement in performance and in the capacity to process orders, transactions and market data dissemination.

In order to elongate the life span of the trading system, TASE completed a new system architecture, which enables trading to operate concurrently from the back-up facility and

from the TASE headquarters, with each site responsible for partial operations. Implementation of the new architecture entailed operating a geographic dispersed communications network and the installation of a new server farm at the back-up facility.

## >> TASE's New Home

The skeleton frame of the new TASE headquarters was completed this year and construction is scheduled for completion by the end of 2012. During the year the technology infrastructure and support systems were installed in the IT hall. The final blueprints for the visitor center were approved and filming of materials for the various exhibit stations is under way.



# TASE IN 2011 >>

2011 was a turnaround year for the TASE equity market. After a two-year bull market, the TA-25 index lost 18%, accompanied by a decline in trading volume and primary market activity.

## THE EQUITY MARKET

2011 opened with steady price levels. Towards the end of April, however, prices took a downward turn, which persisted throughout the remainder of the year. Market activity was marked by volatile trade and the downward trend affected all leading TASE share price indices. In wake of the 7.7% devaluation of the NIS against the US dollar, the TA-25 index declined 24% in dollar terms.

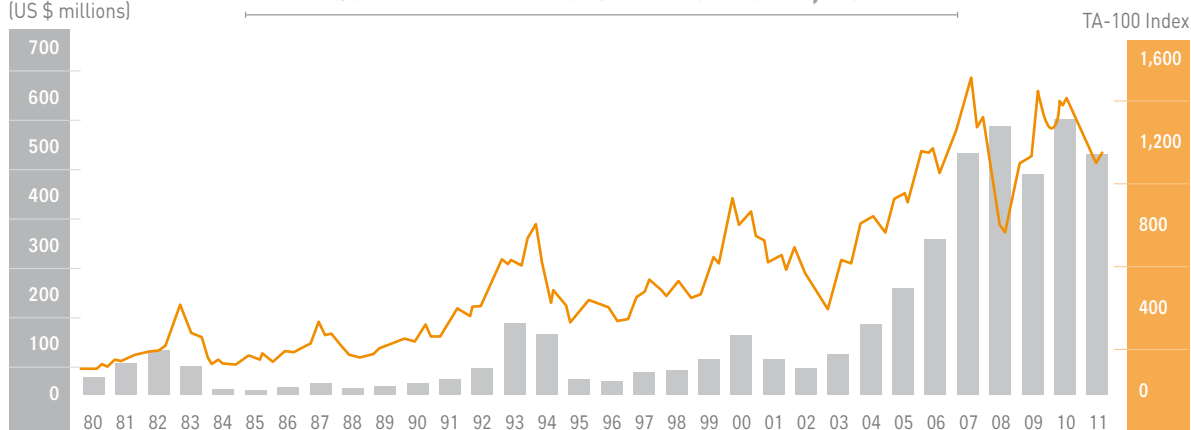
Industry indices experienced similar sharp price decreases in dollar terms. The TA-Finance index stood out, losing 39% over the year. Investment companies experienced a precipitous 45% decline after gaining 29% in 2010. Prices on gas and oil exploration securities retreated 13%, after the stellar gains registered in the previous two years, triggered by the discovery of offshore gas fields in 2009.

Following several years during which TASE registered outstanding returns relative to most foreign securities markets, in 2011 the TA-25 and TA-100 declined at a rate similar to that of the French and Japanese exchanges and the MSCI emerging market index. In contrast, U.S. securities markets rose up to 5%.



Daily Turnover  
(US \$ millions)

### THE EQUITY MARKET PRICES AND TURNOVER, 1980-2011





The downturn in the TASE equity market reflects the negative developments that unfolded in the global economy, on the one hand, and their anticipated repercussions on the Israeli economy on the other.

In this context, it is worth mentioning the macroeconomic policies implemented by the Bank of Israel and the Ministry of Finance, which inspired S&P to upgrade of Israel's sovereign long term credit rating from (A) to (A+) in September of this year.

In 2011 **foreign residents** acquired a net US \$0.7 billion TASE-listed share, a continuation of the US \$0.8 billion acquired in the second half of 2010.

**Average daily trading volume** came to US \$482 million – off 12% from last year's average. It should be noted that during the first quarter of 2011, there was an increase in activity and, on average, US \$600 million shares changed hands daily. Trading activity started to slow in the second quarter and in the past months average daily volume has been half that of the first quarter.

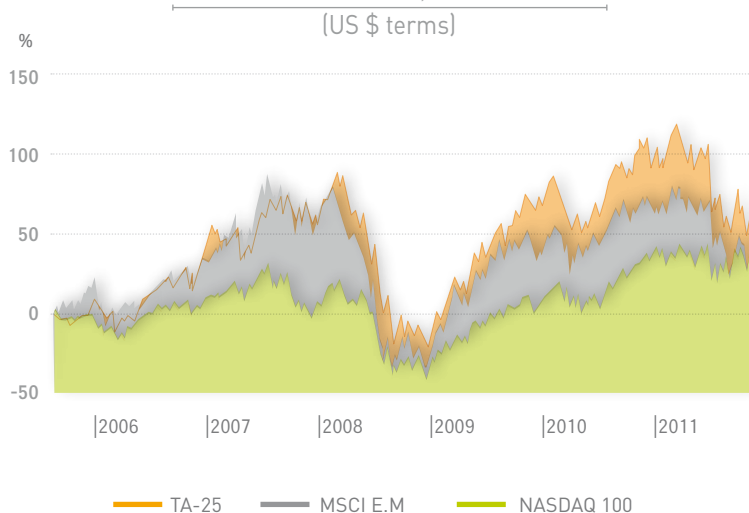
### TASE Equity Offerings 2010-2011

	Capital Raised (US \$ million)		Number of Offerings	
	2010	2011	2010	2011
Public offerings	2,262	843	100	71
of which IPOs	849*	200	17	8
Private placements	1,014	427	84	76
Warrant exercise	148	167		
<b>Total</b>	<b>3,424</b>	<b>1,437</b>	<b>184</b>	<b>147</b>

\* Including US \$523 million Azrieli offering.



### TA-25, NASDAQ-100 AND MSCI E.M INDICES' YIELDS, 2006-2011



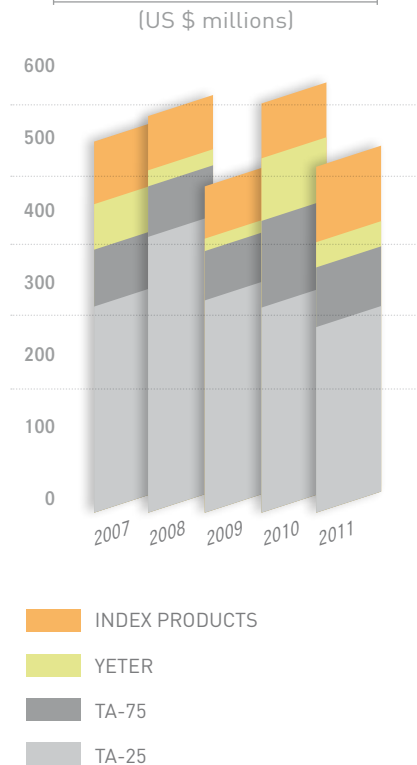
Total capital raised from **public offerings, private placements and warrant exercise** came to US \$1.4 billion, as opposed to US \$3.4 billion last year and US. \$1.7 billion each year in 2008 and 2009.

Real estate companies were the largest issuers, raising US \$360 million, approximately 40% of the total raised in public offerings in 2011.

Eight IPOs were completed, the majority during the first half of the year, raising a total of US \$200 million. The most notable IPO was that of car importer, **Carasso Motors Ltd.**, which raised US \$75 million in June. Its shares joined the TA-100 index in July.

Dual listed companies raised US \$405 million in **offerings abroad**, more than twice the amount raised in the previous year.

### EQUITY MARKET - DAILY TURNOVER, 2007-2011



**TABLE 1: MAIN INDICATORS OF THE EQUITY MARKET, 2002-2011**

Year	Daily Turnover (US \$ millions)	Capital Raised in Israel <sup>(1)</sup> (US \$ billions)	Number of Listed Companies	Thereof: New Listed Companies <sup>(2)</sup>	TA-100 Index % Change (US \$ terms)
2002	51	0.7	624	9	(30.6)
2003	80	0.7	577	4	73.9
2004	147	1.6	578	25	21.0
2005	223	2.7	584	32	21.1
2006	326	2.7	606	44	22.0
2007	505	5.2	654	62	37.6
2008	547	1.8	642	2	(50.6)
2009	432	1.7	622	4	90.1
2010	547	3.4	613	22	22.3
2011	482	1.4	593	11	(25.7)

(1) Including private placements and exercise of warrants, Excluding issues abroad of the dual-listed companies.

(2) Including new dual-listed companies, Excluding new index products issuers.



The Israeli government sold 5% of its holdings in **Bank Leumi** for US \$368 million, leaving a 6% government stake in the bank.

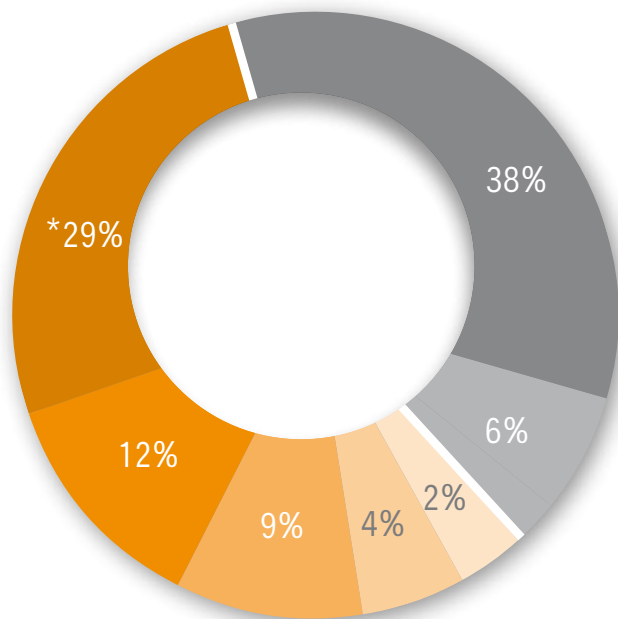
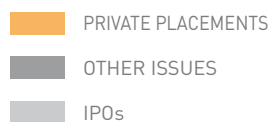
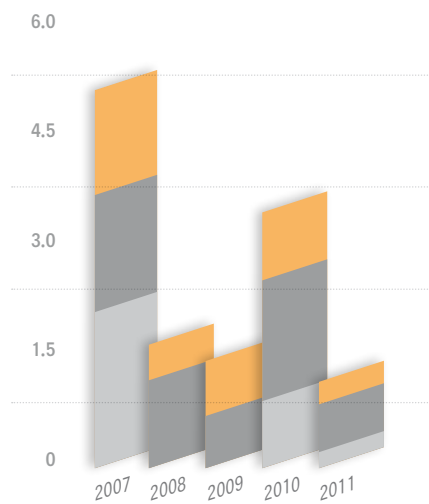
In the course of 2011, two companies, CAD/CAM software company, **Cimatron**, and U.S. customer service over IP company, **LivePerson**, listed their shares on TASE under the **Dual Listing** provisions of Israel's Securities Law.

TASE-listed drug development company, **BioLine Rx**, listed its shares on NASDAQ and TASE-listed real estate company, **Gazit Globe**, raised US \$93 million in the United States and listed its shares on the NYSE.

Currently 46 companies concurrently trade on TASE and U.S. exchanges, while six additional companies are cross-listed on TASE and European exchanges [outside the framework of the Dual Listing provisions].

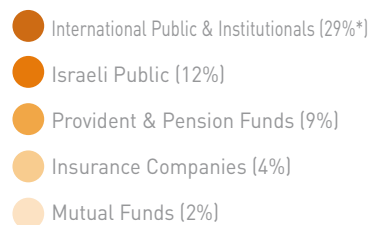
## CAPITAL RAISED BY SHARES, 2007-2011

(US \$ billions)

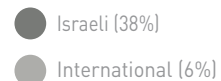


## BREAKDOWN OF SHARE OWNERSHIP ON TASE, 2011

## "Free Float" (56%)



## Interested Parties (44%)



\*of which: 21% holdings in dual-listed shares abroad.

At the close of 2011 some 432 Exchange-traded notes (ETNs) bearing a public holdings of US \$12.7 billion traded on TASE.

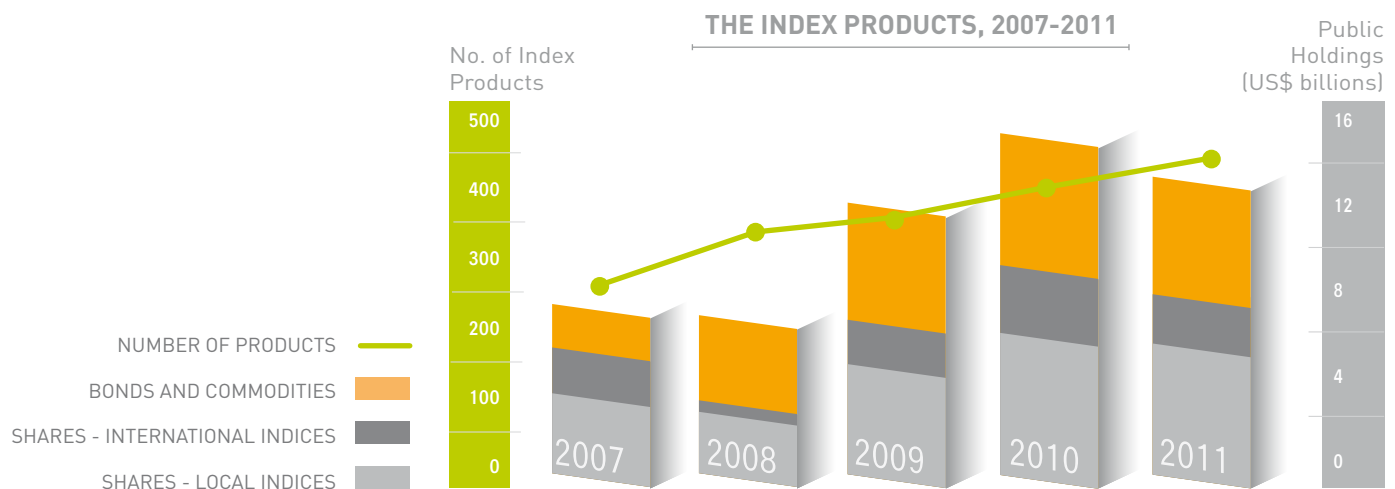
## EXCHANGE-TRADED [INDEX] PRODUCTS

Overall, the public holdings of ETNs declined this year by US \$2.7 billion:

- The public holdings of ETNs on TASE share price indices lost US \$2.2 billion, which can be attributed primarily to falling share prices. In contrast, the public holdings of ETNs tracking foreign stock markets increased US \$0.3 billion.
- The public holdings of ETNs on bond indices was off US \$0.8 billion, due primarily to investor sell-off.

It is interesting to note that the drop in public holdings on local equity ETNs was accompanied by a marked increase in **daily trading volume**, which came to US \$109 million on average - 25% higher than the 2010 average. This turnover accounted for 23% of total TASE equity turnover, as opposed to 16% in the previous year. Average daily turnover in local bond ETNs came to US \$45 million, similar to that of 2010 and constituted 18% of the total TASE corporate bond trading volume, as opposed to 20% in 2010.

40 new ETNs were issued this year. Of these, ETNs on the TA-Composite index were issued for the first time, as were ETNs on indices of TASE-traded shares compiled and calculated by international index vendors, S&P and Dow Jones.

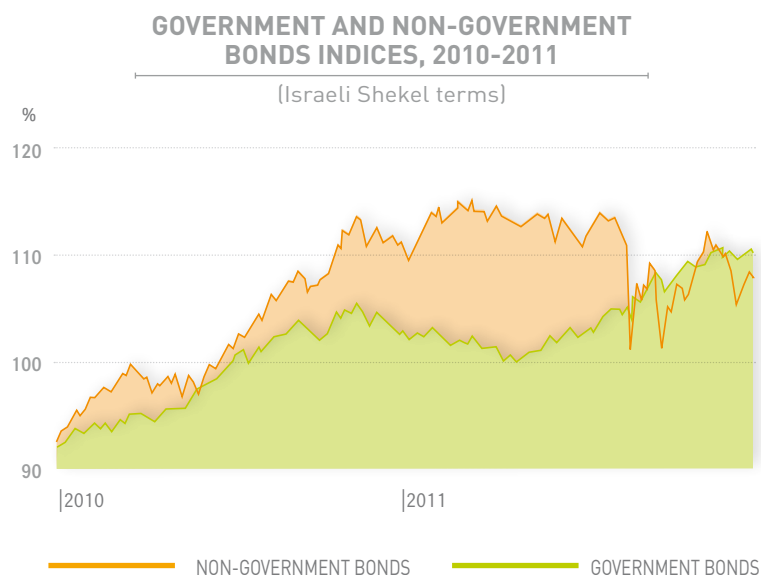


## DEBT MARKET

In contrast to the equity market, trading on the debt market was more rather than less active, with average daily trading volume increasing by U.S. \$1.1 billion in 2011, an increase of 20% over the previous year.

The increase in trading volume stems from the sharp increase in Israel government NIS-denominated non-linked "Shachar" bond trading, which came to US \$460 million in 2011, as opposed to US \$360 million in 2010. This increase can be attributed to demand by foreign investors, which made large acquisitions of these bonds (approximately US \$4 billion net in the period May-November).

**The scope of net government issues** sharply decreased this year, for the second year running. In 2011 the Ministry of Finance issued a net US \$0.7 billion in local government bonds, as opposed to a net U.S. \$2.6 billion in 2010 and US \$8 billion in 2008 and 2009 each.



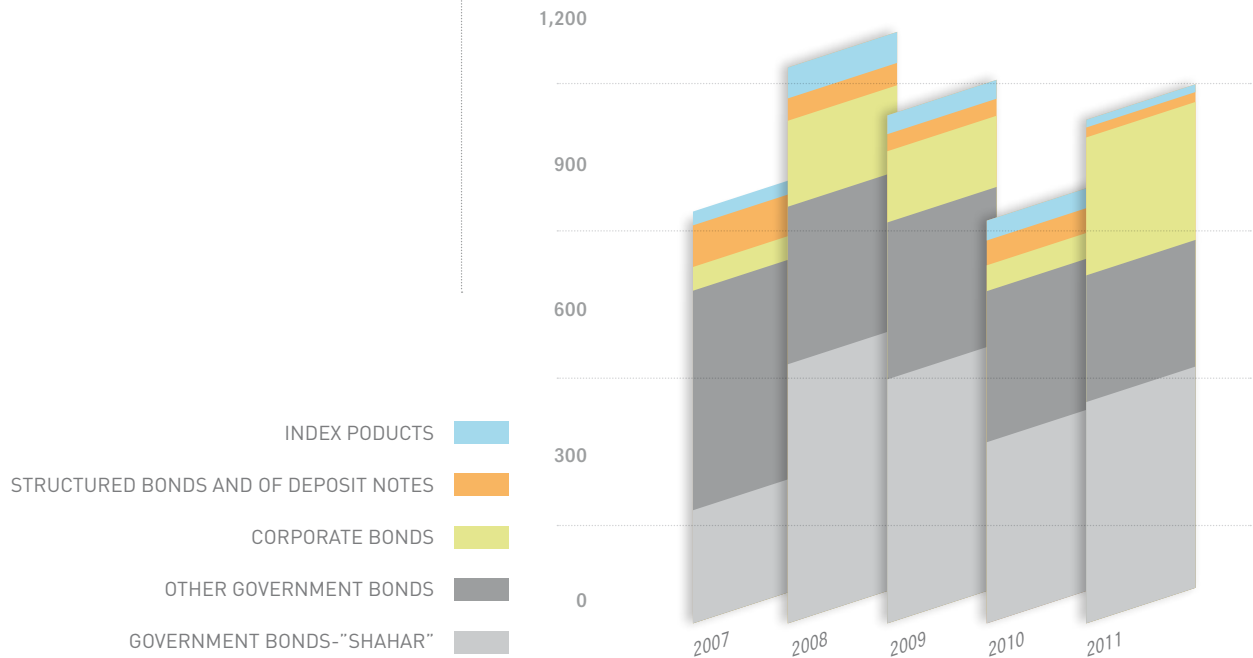
Government bond prices increased 5% on average while corporate bond prices were off 1.2% (in Israeli Shekel terms).



Gross government bond issues, however, increased by some 18%, necessitated by the decrease in tax revenues and increase in bond redemptions in the final four months of the year. Overall the government floated US \$18 billion bonds, as opposed to US \$15 billion in 2010. Concurrently, redemption of "Shachar" and short-term government bonds came to US \$13.1 billion and of "Galil" bonds to US \$4.2 billion, as opposed to the US \$12.5 billion total redemption of all government bond categories in 2010.

### DAILY TURNOVER OF BONDS, 2007-2011

(US \$ millions)



**Public offerings and private placements to institutional investors (TACT Institutional platform) of corporate bonds**, which were temporarily curtailed following the 2008 financial crisis, resumed in 2009 and gained steam in 2010. In 2011 the business sector raised US **\$11.4** billion on the debt market, similar to the amount raised in 2010.

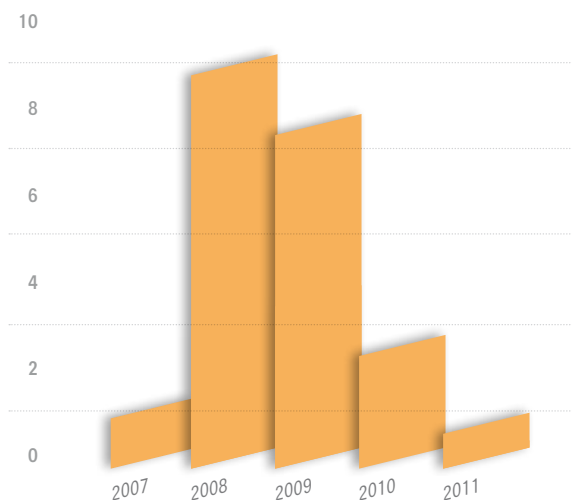
The largest bond offering this year was that of the telecom company **Bezeq**, which raised US \$0.8 billion and constituted the largest corporate bond flotation in TASE history to date.

Banks and telecom companies stood out this year, raising US \$3.4 and \$3 billion, respectively.

In wake of the 2008 crisis and the numerous bond restructuring arrangements, capital raising was limited primarily to investment grade issuers. The portion of bond offerings for bonds rated (A-) and above remained high, accounting for more than 90% of the amount raised in the debt market.

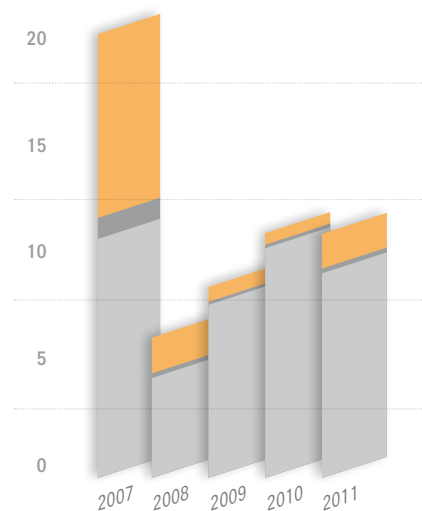
#### ISSUES OF GOVERNMENT BONDS, NET, 2007-2011

(US \$ billions)



#### ISSUES OF BONDS BY THE BUSINESS SECTOR, 2007-2011

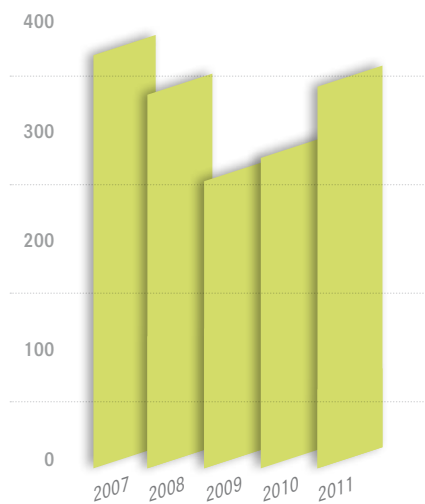
(US \$ billions)



- TACT INSTITUTIONALS
- OTHER BONDS<sup>(1)</sup>
- CORPORATE BONDS

(1) Including structured bonds and deposit notes.

**DAILY TURNOVER  
OF TA-25 INDEX OPTIONS, 2007-2011**  
(Thousand contracts)



## MAKAM T-BILLS

Daily turnover of MAKAM T-bills averaged US \$328 million, similar to the average for the previous year. Daily turnover peaked in January, averaging US \$490 million.

The primary reason for active T-bill trading relates to the activities of foreign investors, who acquired US \$2.5 billion during the first two months of the year and scaled back net investments in T-bills in May-November by US \$7.9 billion, following the repeal of the tax exemption previously granted foreign resident T-bill holders starting in July.

**MAKAM T-bill prices** increased 3% in 2011, after gaining 2% in the previous year (In Israeli Shekel terms), and the yield-to-maturity increased approximately 2.6% at year's end, as opposed to 2.3% at the end of 2010.

Holdings of **both the local and foreign investing public** declined in 2011 to US \$32.3 billion, after peaking to US \$38.5 billion at the end of 2010.

## DERIVATIVES MARKET

**Trading in TA-25 index options** was active, in spite of the lower trading volume in the underlying market. On average, 357 thousand contracts traded daily, as opposed to 290 thousand in 2010. In August the average shot up to 480 contracts daily, breaking the previous record monthly average registered in May 2010.

In the first half of the year, the implied volatility of TA-25 index options was relatively low, ranging between 13-20%. In August, with the increased fluctuations in the underlying cash market, implied volatility jumped to 30-40%, the highest level since January 2009.



**Trading in dollar exchange rate options** also gained momentum in 2011, affected by volatility in the NIS/dollar exchange rate. An average 43 thousand contracts traded daily - an increase of 30% over last year's average. On January 20th 203 thousand contracts changed hands - a record turnover since the inception of these options.

As part of its efforts to develop and expand derivatives trading in Israel, **options on shekel-denominated unlinked government bonds** were launched in November. This followed the launch of additional stock options on bank shares and units in oil exploration limited partnerships. Trading volume in these new options is still low.

**TABLE 2: TA-25 INDEX OPTIONS TURNOVER, 2007-2011**

Year	Daily Turnover (thousand contracts)	Derivatives Liquidity ratio <sup>(1)</sup>	Maximum no. of open interest contracts (thousands)
2007	385	1,341%	1,317
2008	332	916%	1,028
2009	252	779%	660
2010	289	1,086%	746
2011	357	1,520%	1,125

(1) The ratio between the turnover of the TA-25 options, in the underlying asset terms, (delta-weighted, taking into account the probability that the options will be exercised) and the turnover of the TA-25 index shares.

# 2011 >> EVENTS >>

## Q1 >> JANUARY - MARCH



>> **Electra Consumer Products** management opens TASE trading in honor of their TASE listing. In picture: **Yaki Vadmani, Daniel, Michael** and **Gershon Salkind** (Electra Consumer Products), **Ester Levanon** and **Saul Bronfeld** (TASE)



3 biomed IPOs list shares on TASE:

**RedHill Biopharma** – specializes in the acquisition of intellectual property rights for drug development.  
**IceCure Medical** - develops medical equipment for treatment of Fibroadenoma (non-cancerous breast tumors).  
**Glycominds** - develops diagnostic services for Multiple Sclerosis patients.



>> 2 more companies dual list shares on TASE:  
**Cimatron** - develops and markets CAD/CAM software.  
**LivePerson** - develops and provides software services for chat management on commercial websites.



>> Signing of Memorandum of Understanding (MOU) with the Cypress Stock in the presence of Israeli President, **Shimon Peres** and Cypriot President **Dimitris Cristofias**.

## Q3 >> JULY - SEPTEMBER



>> Lord Mayor of the City of London, **Alderman Michael Bar**, and British Ambassador to Israel, **H.E. Matthew Gould** open TASE trading.



>> **Carasso Motors** - completes IPO of US\$ 75 million.



>> TASE holds 11TH annual London investor conference - "**Growth & Opportunity**".

Participants included: **Eyal Waldman** (Mellanox Technologies); **Ofra Strauss** (Strauss Group); **Ester Levanon** (TASE); **Dr. Joseph (Yossi) Bachar** (Israel Discount Bank); **Ephraim Rosenhaus** (Shufersal); and **Danna J. Azrieli** (Azrieli Group).

## Q2 >> APRIL - JUNE



>> **Launch of new TASE technology indices** and the establishment of the **High-Tech Companies Group** in the CFO Forum, in the presence of the Director General of Israel's Ministry of Finance, **Haim Shani**.



>> TASE hosts foreign delegation: **Delegation of businessmen and government officials from the island of Jersey** open TASE trading in conjunction with managers of the **Israel Project (TIP)**.  
In the photo: **Lennert Leader** and **Shmuel Bendror** (TIP) with **Jonathan Shemesh**, TASE Executive Vice President



>> **Taglit Birthright Israel** students and CEO, **Gidi Mark** ring the TASE opening bell.

## Q4 >> OCTOBER - DECEMBER



**ENTRANCE**  **ODD**  
פירוק של פרוטוקול וסוכנות בין חברות הי-טק ומשקיעים מוסדיים

>> The first **Entrance conference** brings institutional investors together with technology companies.



>> Israeli Minister of Finance, **Dr. Yuval Steinitz**, opens TASE trading in honor of the **launch of options on NIS-denominated israel government bonds**.



>> **Israel - America Chamber of Commerce conference** kicks off with the opening bell ceremony on the New York Stock Exchange (NYSE). Following the ceremony a panel discussion led by Bloomberg Television anchor, **Pimm Fox** was held. Panel members: **Ofra Strauss**, **Matthew Bronfman** and **Ester Levanon**.



>> **2 companies join the TA-25 index:**

**HOT** - a media company which operates cable television, telephony and high-speed internet services in Israel, and controlling shareholder in cellular phone company: "Mirs".  
**Mellanox** - a technology company which develops and markets advanced end-to-end connectivity solutions for servers and storage systems.



## TA-25 INDEX COMPANIES

**TABLE 3: MARKET CAPITALIZATION AND WEIGHTING**

SECURITY NAME	MARKET CAPITALIZATION 29.12.2011 (US\$ millions)	WEIGHTING <sup>(2)</sup>
1. Teva <sup>(2)</sup>	37,815	10.36%
2. Perrigo <sup>(2)</sup>	9,156	10.13%
3. Bank Leumi	4,207	10.05%
4. Israel Chemicals	13,136	9.88%
5. Bezeq	4,959	9.76%
6. Bank Hapoalim	4,302	8.59%
7. Nice <sup>(2)</sup>	2,155	5.27%
8. Mellanox <sup>(2)</sup>	1,277	3.15%
9. Israel Corporation	4,795	3.00%
10. Isramco	1,473	2.79%
11. Bank Discount	1,407	2.72%
12. Mizrahi Tefahot	1,772	2.63%
13. Elbit Systems <sup>(2)</sup>	1,754	2.59%
14. Cellcom <sup>(2)</sup>	1,659	2.47%
15. Avner	2,100	2.36%
16. Partner <sup>(2)</sup>	1,371	2.05%
17. Delek Group	2,136	1.87%
18. Azrieli Group	2,856	1.78%
19. Delek Drilling	2,011	1.76%
20. Gazit Globe <sup>(2)</sup>	1,562	1.64%
21. Paz Oil	1,228	1.37%
22. Strauss Group	1,298	1.13%
23. Bazan	1,222	1.07%
24. Osem	1,613	1.01%
25. Hot	964	0.59%
<b>TOTAL</b>	<b>108,228</b>	<b>100.00%</b>

**TABLE 4: DAILY TURNOVER**

SECURITY NAME	DAILY TURNOVER (US\$ thousands)
1. Israel Chemicals	33,574
2. Teva <sup>(2)</sup>	25,516
3. Bank Leumi	24,057
4. Bank Hapoalim	23,737
5. Bezeq	18,470
6. Perrigo <sup>(2)</sup>	11,623
7. Israel Corporation	11,259
8. Isramco	7,418
9. Mizrahi Tefahot	7,066
10. Bank Discount	6,859
11. Avner	6,114
12. Cellcom <sup>(2)</sup>	5,793
13. Delek Group	5,732
14. Partner <sup>(2)</sup>	5,463
15. Nice <sup>(2)</sup>	5,351
16. Gazit Globe <sup>(2)</sup>	4,288
17. Elbit Systems <sup>(2)</sup>	3,961
18. Delek Drilling	3,215
19. Azrieli Group	3,110
20. Bazan	2,697
21. Paz Oil	2,408
22. Strauss Group	1,849
23. Mellanox <sup>(2)</sup>	1,817
24. Osem	1,441
25. Hot	807
<b>TOTAL</b>	<b>223,627</b>
<b>OF TOTAL TURNOVER</b>	<b>51%</b>

(1) The weight is calculated according to the value of the float in each share. Weighting is adjusted according to the 10% cap - updated quarterly.

(2) Dual-Listing company

**TABLE 5: CAPITAL RAISED BY SECURITY TYPES, 2002-2011 (US \$ millions)**

Year	Shares & convertibles		Government Bonds - Net	Non-Government Bonds			Total
	Israel <sup>(1)</sup>	Abroad		Public		Institutionals	
				Corporate Bonds <sup>(1)</sup>	Other Bonds <sup>(2)</sup>		
2002	671	535	4,932	999	0	359	1,358
2003	721	25	4,196	778	323	1,456	2,557
2004	1,582	2,054	4,150	1,498	669	2,338	4,505
2005	2,748	465	1,208	5,203	848	4,009	10,060
2006	2,713	6,909	698	4,725	480	5,597	10,802
2007	5,168	668	957	10,970	1,301	8,904	21,175
2008	1,774	3,265	8,889	5,003	318	1,257	6,578
2009	1,701	266	7,595	8,367	63	874	9,304
2010	3,424	152	2,634	10,401	220	862	11,483
2011	1,437	405	668	9,647	170	1,631	11,448
Change in 2011	(58%)	166%	(75%)	(7%)	(23%)	89%	0%

(1) Including direct offers, private placements and exercise of warrents.

(2) Including structured bonds and deposit notes.

**TABLE 6: DAILY TURNOVER, 2002-2011<sup>(1)</sup> (US \$ millions)**

Year	The Equity Market		The Fixed Income Market					Treasury Bill	Total
	Shares & convertibles	Thereof: ETN's	Government Bonds	Corporate Bonds	Other Bonds <sup>(2)</sup>	ETN's	Total		
2002	51	1	157	2	0.2	-	159	78	288
2003	80	3	154	4	2	-	160	107	347
2004	147	9	199	9	6	0.1	214	140	501
2005	223	23	251	21	26	0.2	298	151	672
2006	326	63	325	27	30	2	384	179	889
2007	505	93	635	95	52	17	799	206	1,510
2008	547	101	866	152	46	56	1,120	219	1,886
2009	432	85	806	151	28	50	1,035	163	1,630
2010	547	87	639	172	17	47	875	320	1,742
2011	482	109	805	180	24	45	1,054	328	1,864
Change in 2011	(12%)	25%	26%	5%	41%	(4%)	20%	2%	7%

(1) Including off-the floor transactions.

(2) Including structured bonds and deposit notes.

**TABLE 7: MARKET CAPITALIZATION OF LISTED SECURITIES 2002-2011 (US \$ billions)**

Year	The Equity Market		The Fixed Income Market						Treasury Bills
	Shares & convertibles	ETN's Assets <sup>(1)</sup>	Government Bonds	Corporate Bonds	TACT Institutional	Structured bonds <sup>(2)</sup>	deposit notes <sup>(1)</sup>	ETN's Assets <sup>(1)</sup>	
2002	42.3	0.1	41.6	3.3	-	0.1	-	-	8.9
2003	69.7	0.3	52.5	4.4	-	0.3	0.3	-	12.7
2004	87.1	1.2	58.7	7.3	0.9	0.9	0.9	-	17.5
2005	112.8	1.5	56.8	12.6	3.7	2.6	1.2	0.02	18.9
2006	140.7	3.0	62.8	20.0	6.4	3.8	1.3	0.1	20.9
2007	198.0	4.9	71.2	38.5	11.1	4.2	2.1	1.8	18.1
2008	106.7	2.3	84.3	34.4	11.2	5.1	1.7	3.7	18.9
2009	189.4	6.7	97.3	53.3	9.1	5.1	1.2	5.1	22.6
2010	227.1	9.4	109.7	67.3	9.8	4.2	0.8	6.0	38.1
2011	157.1	7.4	107.0	61.6	9.3	3.2	2.0	5.3	32.1

(1) Assets Under Management: Source: Bank of Israel.

(2) Market capitalization - Including holdings by subsidiary companies; Public holdings as of December 2010 - 2.9 \$ billions.

**TABLE 8: ANNUAL YIELDS OF THE EQUITY INDICES, 2002-2011 (in US \$ terms)**

Year	TA-25	TA-100	Other Shares	Blue-Tech 50 <sup>(1)</sup>	TA-Finance <sup>(2)</sup>	Real Estate-15 <sup>(3)</sup>	General Share Index
2002	(32.2)	(30.6)	(25.3)	(42.9)	-	-	(25.3)
2003	63.3	73.9	60.7	138.1	-	-	68.1
2004	24.6	21.0	33.8	17.9	-	-	19.5
2005	24.7	21.1	19.5	(10.9)	27.5	32.1	24.3
2006	22.6	22.0	49.3	5.8	17.1	81.3	15.3
2007	44.3	37.6	14.7	6.0	12.1	10.9	35.0
2008	(45.6)	(50.6)	(53.5)	(60.5)	(55.7)	(79.5)	(45.8)
2009	76.1	90.1	113.5	94.0	128.5	126.8	80.1
2010	23.2	22.3	40.1	16.0	16.3	22.7	19.8
2011	(24.0)	(25.7)	(28.6)	(15.8)	(38.7)	(28.7)	(27.6)

(1) Till March 2011 - Tel-Tech.

(2) Till March 2011 - Finance-15. Launched on January 2005.

(3) Launched on January 2005.

**TABLE 9: ANNUAL YIELDS OF THE BOND INDICES, 2002-2011 (in US \$ terms)**

Year	General Bond Index	Government Bond Indices		Non-Government Bond Indices <sup>(1)</sup>		
		CPI Linked Bonds	Non Linked Bonds	CPI Linked Bonds		Dollar Linked Bonds
				Total	Thereof: Tel-Bond 20 <sup>(2)</sup>	
2002	(6.7)	(5.7)	(9.0)	(7.7)	-	(3.2)
2003	22.9	19.0	29.5	22.8	-	11.9
2004	7.1	6.8	7.3	10.0	-	2.3
2005	(0.9)	(0.3)	(1.4)	0.1	-	(0.7)
2006	14.0	13.4	15.9	14.2	-	6.4
2007	14.3	17.2	13.3	15.9	18.6	7.1
2008	0.5	10.8	10.9	(15.7)	(2.1)	(4.4)
2009	16.4	11.1	3.3	41.2	22.5	7.5
2010	14.9	14.9	11.7	20.2	18.2	5.5
2011	<b>(4.8)</b>	<b>(3.1)</b>	<b>(2.3)</b>	<b>(8.8)</b>	<b>(6.5)</b>	<b>0.5</b>

(1) Including corporate bonds, (until June 2010 including structured bonds and deposit notes).

(2) Launched on February 2007.

# >>> TASE Members - CONTACTS FOR INTERNATIONAL INVESTORS

Banks	contact Person	Tel	Fax	E-mail	Web Site
<b>Bank Hapoalim</b>	Ronit Meiri Harel	972-3-5674180	972-3-5674862	ronit.meiri@mailpoalim.co.il	www.bankhapoalim.co.il
<b>Bank Leumi Le-Israel</b>	Shoshie Haimovici	972-3-5149106	972-3-5148548	custody-cash@bll.co.il	www.leumi.co.il
<b>Bank Massad</b>	Liat Ben-Ari	972-3-5641343	972-3-5641441	liat.benari@bankmassad.co.il	www.bankmassad.co.il
<b>Bank of Israel</b>	Mimi Regev	972-2-6552575	972-2-6669575	mimi.regev@boi.org.il	www.bankisrael.gov.il
<b>Bank of Jerusalem</b>	Eitan Admoni	972-768096380	972-768096377	eitana@bankjerusalem.com	www.bankjerusalem.co.il
<b>Bank Otsar Ha-Hayal</b>	Orit Horesh	972-3-7556261	972-3-7964533	orit.horesh@mailotsar.co.il	www.bankotsar.co.il
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<b>HSBC Bank PLC</b>	Raz Lerman	972-3-7101190	972-3-7101130	razlerman@hsbc.com	www.hsbc.com
<b>Israel Discount Bank</b>	Barry Simon	972-3-5146593	972-3-5145150	barry.simon@discountbank.co.il	www.discountbank.co.il/ir
<b>Mercantile Discount Bank</b>	Joseph Kazum	972-76-8044254	972-76-8044895	kazum@mdb.co.il	www.mercantile.co.il
<b>Mizrahi Tefahot Bank</b>	Ronit Baron	972-3-7559722	972-3-7559150	ronitb@umtb.co.il	www.mizrahi-tefahot.co.il
<b>The First International Bank of Israel</b>	Dafna Zucker	972-3-5196224	972-3-5100253	zucker.d@fibi.co.il	www.fibi.co.il
<b>Ubank</b>	Udi Dahan	972-3-5645669	972-3-5645234	udahan@u-bank.net	www.u-bank.net
<b>Union Bank of Israel</b>	Dr.Akiva Sternberg	972-3-5191688	972-3-5191849	akivas@ubi.co.il	www.unionbank.co.il



Brokerage Firms	contact Person	Tel	Fax	E-mail	Web Site
<b>Analyst Exchange &amp; Trading Services</b>	Rafi Kessel	972-3-7147161	972-3-7147142	rafi@analyst.co.il	www.analyst.co.il
<b>Citigroup Financial Products Israel Ltd.</b>	Yotam Bar Zion	972-3-6842580	972-3-6842414	yotam.barzion@citi.com	www.citigroup.com
<b>Clal Finance Batucha Investment Management</b>	Ronen Waisserberg	972-3-7616408	972-3-6276399	ronen@clal-fin.co.il	www.cfb.co.il
<b>Deutsche Securities Israel</b>	Hadar Oshrat	972-3-7102036	972-3-7102045	hadar.oshrat@db.com	www.db.com
<b>DS Securities and Investments</b>	Kobby Finkelstein	972-3-6843374	972-3-6843379	kobby@ds-invest.co.il	www.ds-invest.co.il
<b>Excellence Nessuah Brokerage Services</b>	Sarah Jane Ross	972-3-7532960	972-3-7532040	sarah.ross@xnes.co.il	www.xnes.co.il
<b>Harel Finance Trade &amp; Securities</b>	Erez astrachan (asif)	972-3-7546058	972-3-7546318	ereza@harel-finance.co.il	www.harel-finance.co.il
<b>Israel Brokerage and Investment I.B.I</b>	Lital Kost	972-3-5193452	972-3-5193456	lital@ibi.co.il	www.ibi.co.il
<b>Meitav Brokerage Services (Gaon Trade) Ltd.</b>	Osher Tubul	972-3-7778277	972-3-6124830	oshert@meitav.co.il	www.meitav.co.il
<b>Migdal Stock Exchange Services (N.E.)</b>	Yam Rubinstein	972-3-5194032	972-3-5167410	yamrub@msh.co.il	www.msh.co.il
<b>Poalim Sahar</b>	Ehud Chityat	972-3-7104503	972-3-7104505	udi@sahar.co.il	www.sahar.co.il
<b>Psagot Securities</b>	Shay Yaron	972-3-7968806	972-3-7968889	shayy@psagot.co.il	www.psagot.co.il
<b>UBS Securities Israel</b>	Amir Lev	972-9-9600114	972-9-9600124	amir.lev@ubs.com	www.ubs.com
Remote Member	contact Person	Tel	Fax	E-mail	Web Site
<b>Merrill Lynch International</b>	Haim Israel	972-3-6072007	972-3-6072052	haim.israel@baml.com	www.ml.com

## THE BOARD OF DIRECTORS

### Chairman

- Saul Bronfeld

### Elected Directors

- Efraim Avraham
- Elad Benbaji

- Eldad Fersher
- Anat Frumkes

- Hana Pri-Zan
- Naomi Sandhaus
- Yoram Sirkis

### Independent Directors

- Andrew Abir
- Hila Ben-Chaim
- Linda Ben-Shoshan
- Gittit Guberman
- Bracha Litbak
- Dr. Ron Malka
- David Schlachet

- Ester Levanon

### Alternate

- Dr. Akiva Sternberg
- Yoram Naveh

- Adi Shachaf
- Yosi Alharal

- Ronit Meiri Harel
- Shmuel Zlotnik
- Ella Golan

Union Bank of Israel Ltd.  
 Excellence Nessuah Brokerage Srecives Ltd./Clal Finance Batucha Investment Management Ltd.  
 Mizrahi Tefahot Bank Ltd.  
 Migdal Stock Exchange Srevices (N.E.) Ltd./Harel Finance Trade & Securities Ltd.  
 Bank Hapoalim B.M.  
 Bank Leumi Le-Israel B.M.  
 The First International Bank of Israel Ltd.

Bank of Israel  
 Ministry of Finance

TASE Chief Executive Officer

## MANAGEMENT

- Ester Levanon - Chief Executive Officer
- Jonathan Shemesh - Executive Vice President, CIO, IT & Operations department
- Yosi Levi - Senior Vice President, Membership & Surveillance Department
- Hagit Neeman - Senior Vice President, General Counsel and Corporate Secretary
- Rina Shafir - Senior Vice President, Trading & Clearing Department
- Hani Shitrit Bach - Senior Vice President, Head of Listing & Economic Department
- Yossi Treister - Senior Vice President, Administration Department

## TASE MEMBERS

### Banks

- Bank Hapoalim
- Bank Leumi Le-Israel
- Bank Massad
- Bank of Israel
- Bank of Jerusalem
- Bank Otsar Ha-Hayal
- Citibank, N.A.
- HSBC Bank
- Israel Discount Bank
- Mercantile Discount Bank
- Mizrahi Tefahot Bank
- The First International Bank of Israel
- Ubank
- Union Bank of Israel

### Brokerage Firms

- Analyst Exchange & Trading Services
- Citigroup Financial Products Israel
- Clal Finance Batucha Investment Management
- Deutsche Securities Israel
- DS Investment House
- Excellence Nessuah Brokerage Services
- Harel Finance Trade & Securities
- Israel Brokerage & Investments IBI
- Meitav Trade Securities
- Migdal Stock Exchange Services (N.E.)
- Poalim Sahar
- Psagot Securities
- UBS Securities Israel
- Merrill Lynch International (Remote Member)

For further information, visit our website at: [www.tase.co.il](http://www.tase.co.il).

You are also welcome to contact TASE Marketing and Communications Unit Tel: (972) 3 567-7405/6.

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