

# Annual Review

2014

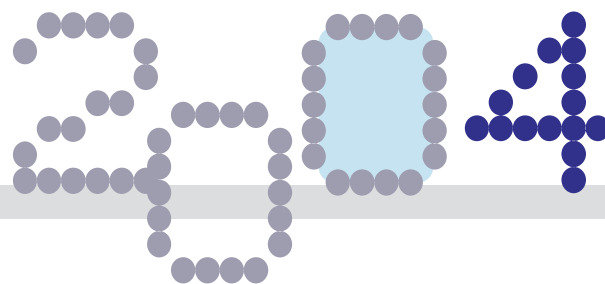


TEL-AVIV STOCK EXCHANGE

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T E L - A V I V   S T O C K   E X C H A N G E

# Annual Review



**TEL-AVIV STOCK EXCHANGE**



## 2004 on the TASE



Saul Bronfeld

2004 was a good year at the Tel-Aviv Stock Exchange. Stock prices have risen, especially towards the end of the year, fueled by international investments' inflows. A local subsidiary of Deutsche Bank joined the TASE as a member and more international members are expected to join in the near future.

Several factors affected the developments in the stock market: Strong earnings reports by the listed companies, positive developments on U.S. markets, the renewed growth of the Israeli economy and optimism in the regional political arena.

The market's positive sentiment brought about a significant increase in turnover to record levels and a revival of IPO's after three lack luster years. The volume of new government bond issues declined, while new corporate bond issues and offerings of structured finance products rose substantially. A new facility for institutional trading of non-listed corporate debt instruments was launched in order to serve off-exchange issuers as well.

In recent years, the TASE has upgraded its technological, operational and regulatory infrastructure. We believe that our framework enables us to compete successfully with international stock exchanges and to serve efficiently diverse groups of investors and issuers, both local and international.

During 2004, we have enhanced the financial stability of the TASE clearing houses and the TASE members in order to bring them in line with common international standards. An amendment to the Securities Law, known as the Clearing Houses Financial Stability Law, has significantly improved the stability of the

TASE clearing houses. Furthermore, the launch of a real time collateral monitoring system upgrades the TASE's risk management capabilities in the derivatives market.

The TASE plays an important role in the forthcoming Bank of Israel's Real Time Gross Settlement project. Besides modernizing the national payment procedures, the TASE clearing houses are moving to fully adopt the Delivery Versus Payment method. The TASE will also participate, as a clearer, in the introduction of MTS-Israel: An international platform for trading government bonds by primary dealers.

Given the promising local and regional political developments, together with financial innovation at the TASE, we believe that we are looking toward continued flourishing of our market.



**Prof. Yair Orgler**

A handwritten signature in blue ink that reads "S. Bronfeld".

**Saul Bronfeld**

Managing Director

A handwritten signature in blue ink that reads "Yair E. Orgler".

**Prof. Yair Orgler**

Chairman of the  
Board of Directors





# The Securities Market in 2004

The turnover of equities, bonds and TA-25 index options reached a record level in 2004 in sequence to the large gains in 2003. Share prices rose significantly and a large volume of equity issues was recorded. In the bond market, the amounts of debt raised by corporations and by suppliers of structured products more than doubled in comparison with the previous year while the Israeli Government reduced the volume of its domestic bond issues.

## The Equity Market

The General Stock Index gained 20% in 2004. The TA-25, TA-100 and Tel-Tech indices rose 25%, 21% and 18%, respectively, while the Yeter (small cap) Index accelerated by 34%.

The General Stock Index rose 13% in the first half of the year, concluding a 90% climb since mid-February 2003. Main causes include a favorable economic environment, strong earnings reports by listed companies and an increase in the Bank of Israel's growth forecast for 2004. These factors outweighed the negative impact of the uncertainty in the security and political arenas.

The upward trend reversed in early July, following a 15% drop on Nasdaq and indicators of a slowdown in the economy's growth rate.

An upturn took place in the last two months of the year, influenced by Nasdaq's positive momentum,

as well as expectations for progress in the political process in the region following the death of Yasser Arafat.

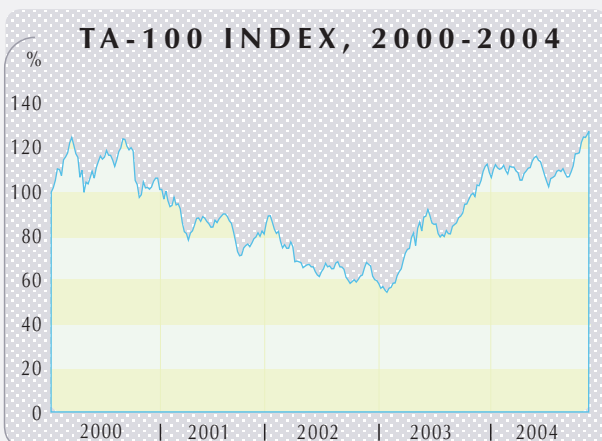
An important impact on the capital market was the 1.5% cumulative decrease in the Bank of Israel interest rate, which reached an all-time-low of 3.7% by the end of the year.

The total turnover recorded in the equity market in 2004 was the highest in the TASE history. The daily turnover averaged \$147 million - an 84% increase compared to the previous year.

Public offerings of TASE-listed shares in Israel and in the U.S. increased sharply, with a total of \$1.1 billion raised - five times the amount raised in 2003. Forty-eight offerings on the TASE raised approximately \$700 million. The remaining \$400 million were raised in the U.S. by dual-listed companies. Unlike the surge in 2000, most of the issues this year were by companies in more traditional industries rather than technological companies.

Twenty new companies raised a total of \$400 million, compared with only two IPOs in each of the preceding three years.

Private placements increased fivefold, totaling \$2.4 billion. An amount of \$1.4 billion worth of **Teva** shares was allocated to Sicor, which was acquired by Teva, and shares worth \$400 million were allocated by **Elite** as part of its merger with the private company Strauss.



Major shareholders sold shares for a total of \$1.3 billion, compared with \$800 million in 2003. The public float rate increased to 51% of the total market capitalization.

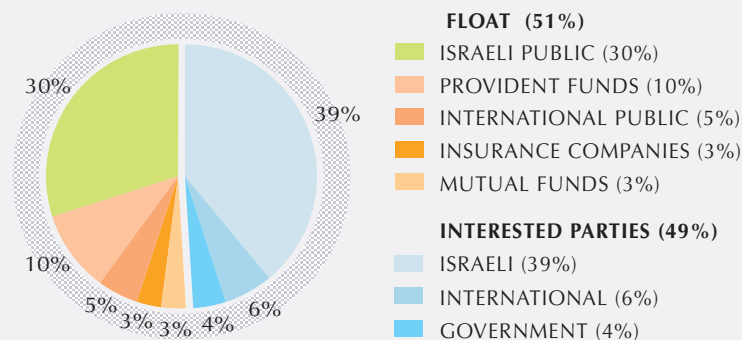
The net outflow of international portfolio investments totaled \$400 million in the first seven months of the year. However, towards the end of the year the trend reversed, and the net inflow for the whole year totaled \$480 million, the highest ever.

At the end of the year, international investors held 10.5% of the market capitalization.

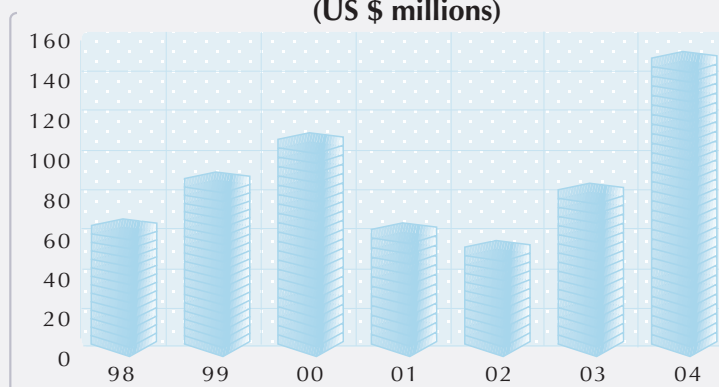
The government raised \$140 million through sales of shares, compared with \$260 million in the previous year. An amount of \$76 million was raised in a public offering of 3% of the shares of **Bezeq**; \$62 million were raised through the exercise of **EI AI** covered options, as part of the transfer of control of the company from the Government.

Five new companies dual-listed on the TASE this year: **Given Imaging**, **Radware**, **Aladdin**, **Gilat Satellite**, and **Ceragon**. Given Imaging joined the TA-25 Index through the Fast Track, the other four joined the TA-100 Index.

#### BREAKDOWN OF SHARES OWNERSHIP ON TASE, 2004



#### DAILY TURNOVER OF EQUITIES, 1998-2004 (US \$ millions)



**TABLE 1: MAIN INDICATORS OF THE EQUITIES MARKET, 1995-2004**

Year	Daily Turnover (US \$ millions)	Capital Raised <sup>(1)</sup> (US \$ billions)	Number of Listed companies	TA-100 Index % Change (US \$ terms)
1995	37	0.7	654	15.7
1996	33	0.8	655	(2.4)
1997	59	2.2	659	26.8
1998	62	2.1	662	(12.4)
1999	86	1.5	654	62.7
2000	115	3.3	665	3.2
2001	64	1.3	649	(16.4)
2002	51	1.2	624	(30.6)
2003	80	0.7	577	73.9
2004	147	3.6	578	21.0

<sup>(1)</sup> Including issues abroad of the dual-listed companies, private placements and exercise of warrants.



## Exchange-Traded Funds

A market of exchange-traded funds on international indices developed rapidly this year. The ETFs allow the public to invest in major international indices while enjoying the advantages of trading on the TASE. Ten series of ETFs were issued, tracking eight international indices such as the S&P 500, the Nasdaq 100, the FTSE 100 and the Dow Jones. Two ETFs by different issuers track the S&P and Nasdaq indices, reflecting the competition in this market. Public holdings of ETFs on international indices totaled \$0.6 billion in December 2004.

Concurrently, development of the market for ETFs on local indices made good progress. Six new ETFs joined the pioneer TALI-25 ETF and the two ETFs issued towards the end of 2003. Two ETFs by different issuers track both the TA-25 and the TA-100 index.

Public holdings in ETFs on local indices totaled \$0.6 billion in December 2004, of which some 60% tracked the TA-25 index.

The turnover of all stock index ETFs accounted for 9% of the total trading volume in the equity market in 2004.

## The Fixed-Income Market

Brisk trading was recorded in the bond market in 2004, coupled with a large volume of corporate debt issues and moderate price gains. The Government increased its debt raising abroad and reduced sharply the volume of domestic issues. The corporations raised \$3.2 billion of debt, one-third of the amount by structured bonds and foreign currency certificates of deposit.

Bond prices rose by 7.1% this year, following a sharp increase of 23% in 2003. Non-linked government bonds recorded a 7.3% rise, while CPI-linked government bonds gained 6.8%.

Following a 3% increase in currency-linked bond prices in 2003, an increase of 2.3% was recorded in 2004, concurrent with the 1.6% appreciation of the shekel versus the dollar.

Daily trading volumes reached a record level of \$214 million, 34% higher than the turnover in 2003. Most of the increase was in Shahr (non-linked) government bonds.

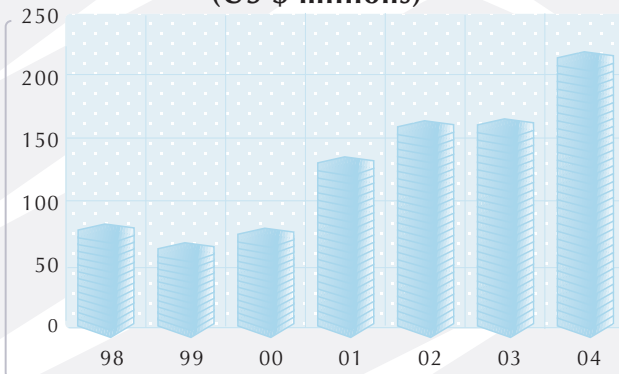
Government bond issues declined significantly due to three major bond issues abroad, backed by U.S. government guarantees, totaling \$2 billion. Government issues on the domestic market amounted to \$8 billion in 2004, compared with \$9.7 billion in 2003.

Total capital raised by listed corporate bonds increased to \$3.2 billion in 2004, more than double the amount in the preceding year:

\$2.3 billion were raised through issues and allocations of corporate bonds, mostly CPI-linked; \$0.9 billion was raised through public offerings of structured bonds, mostly currency-linked, and foreign currency certificates of deposit.

Two series of ETFs tracking non-linked bond indices were issued this year.

**DAILY TURNOVER OF BONDS, 1998-2004**  
(US \$ millions)



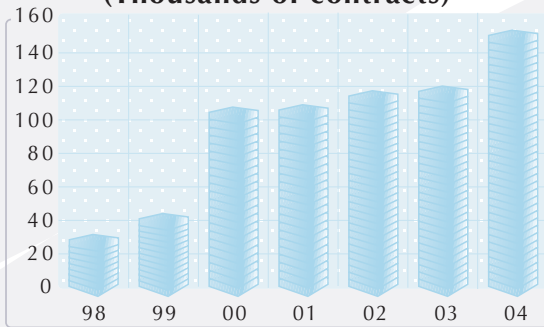


## The Derivatives Market

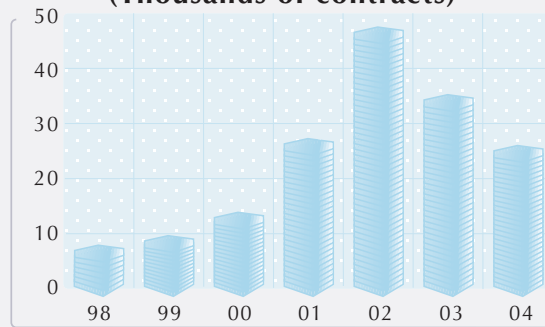
Trading in TA-25 index options continued to increase this year. An average of 153,000 contracts was traded daily, compared with 120,000 contracts in 2003. An all-time record of 225,000 contracts per day was set in December.

A decrease in activities was recorded in shekel-dollar options for the second consecutive year, with a total of 24,000 contracts traded daily, compared with 34,000 contracts in the previous year. The decline resulted from the reduced volatility of the shekel-dollar exchange rate.

**DAILY TRADING VOLUME OF TA-25 INDEX OPTIONS, 1998-2004**  
(Thousands of contracts)



**DAILY TRADING VOLUME OF DOLLAR OPTIONS, 1998-2004**  
(Thousands of contracts)



**TABLE 2: DERIVATIVES TRADING VOLUME, 1998-2004**

	Year	Daily Trading Volume (no. of contracts)	Total Trading Volume In Underlying Asset Value Terms		Maximum no. of open interest contracts (thousands)
			(US \$ millions)	Derivatives liquidity ratio <sup>(1)</sup>	
TA-25 OPTIONS	1998	30,956	62,058	338%	345
	1999	44,815	104,242	417%	505
	2000	108,785	343,991	855%	659
	2001	110,248	270,823	1,000%	570
	2002	118,015	242,159	1,059%	605
	2003	119,808	265,498	806%	619
	2004	152,542	448,511	859%	826
DOLLAR OPTIONS	1998	6,458	15,900	-	238
	1999	9,124	22,540	-	345
	2000	12,793	31,446	-	331
	2001	24,914	60,592	-	532
	2002	46,357	115,503	-	746
	2003	34,055	83,464	-	499
	2004	24,165	58,456	-	408

<sup>(1)</sup>The ratio between the trading volume 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 total turnover of the TA-25 shares.



# News Headlines 2004

## TASE Upgrades Its Clearing Houses

In November, Israel's parliament enacted a new law to ensure the TASE Clearing Houses financial stability. The act upgrades the regulations governing the TASE Clearing Houses for securities and derivatives. The law reinforces the delivery-versus-payment procedure, and allows the Clearing Houses to realize collateral, if needed, more easily.

Earlier in the year, the TASE launched a new real-time collateral monitoring system. The system allows the execution of every derivatives transaction only if the members involved have sufficient collateral. The new system plays an important role in the TASE risk management strategy.

## Deutsche Bank: A New Tel-Aviv Stock Exchange Member

Deutsche Securities Israel, a subsidiary of Deutsche Bank AG, joined the Exchange as a member in July. Membership enables direct access to trading on the exchange. Deutsche Securities Israel is the TASE's second international member. First was UBS, which joined the exchange in 1997.



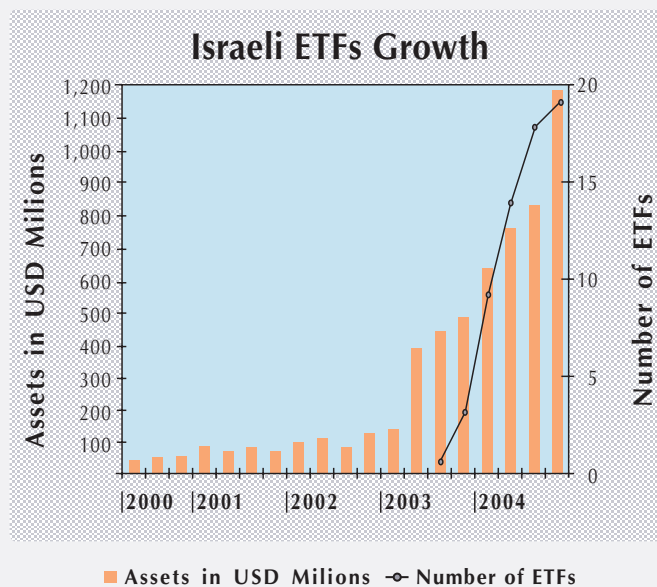
**Saul Bronfeld**, Managing Director of the TASE; **Dan Harverd**, Director of Global Market Research, Deutsche Securities Israel; **Adi Rivlin**, Director of Government Debt, Ministry of Finance; **Yoav Lehman**, Supervisor of Banks, Bank of Israel; **Hadar Oshrat**, Head of Equities Desk, Deutsche Securities Israel; **Dr. Boaz Schwartz**, CEO, Deutsche Securities Israel, and **Prof. Yair Orgler**, Chairman of the TASE, marking the ceremonial inauguration of Deutsche.

## TASE to Launch Interest Rate Futures

The TASE plans to launch futures contracts on Shahar government bonds, that will enable investors to hedge against domestic interest rate risks. The contracts will also serve as an efficient tool for investors seeking to attain rapid, low-cost exposure to the government bond market. The Shahar futures will join the TASE's stock index and currency derivatives. The turnover of Shahar bonds and futures is expected to increase significantly with the launch of MTS-Israel, an international platform for bond trading.

## New International ETFs Introduced

The domestic exchange-traded fund industry has developed exponentially over the past year, with 16 new products launched. The average daily ETF turnover has doubled compared with 2003. The TASE trades ETFs which track leading international indices, such as the Dow Jones Industrial Average, NASDAQ-100, S&P 500, FTSE-100, EuroStoxx-50, Nikkei-225 and FTSE-Xinua-China-25. A gold-based ETF began trading in January 2005 and additional ETFs are in the pipeline. Shortly, covered warrants will be issued and traded for the first time. Investors in international indices should take note of the opportunities presented by trading on Sundays, when market-moving news break over the weekend.



## TASE Raises TA-25 Index Float Requirements

The TASE has raised the minimum public-float requirement for companies included in the TA-25 index from 7.5% to 15%. In July 2005, the rate will rise to 20%. The TASE has also added a minimum float value for TA-25 companies. Similarly, the Exchange will raise the float requirements for companies on the TA-75 and Tel-Tech-15 indices.

## New Stock Indices Launched

Three new indices were launched in January, 2005: **TA Mid-Cap 30**, **TA Finance-15** and **TA Real Estate-15**. The TA Mid-Cap-30 includes the 30 largest shares within the **Yeter Index**, which comprises all TASE-listed shares that are not included in the **TA-100 Index**. The TA Finance-15 is comprised of the 15 largest companies of the financial sector, and the TA Real Estate-15 incorporates the 15 largest companies of the real estate sector.

## TASE Launches a New Trading Facility for Unlisted Corporate Bonds

In May, the TASE launched a fully automated trading facility for unlisted corporate bonds. The facility enables institutional investors to trade unlisted corporate bonds on this platform.

## TASE Upgrades Back Office and Trading Computers

In 2004, the TASE has implemented a wide-scale upgrade of its IT systems. The Exchange acquired a new IBM mainframe computer, and converted Clearing House applications to the IBM zOS operating system. The TASE also acquired two backup computers, significantly increasing its processing capabilities. The TASE replaced its trading servers with new HP computers. The upgrades have assisted the TASE to process a substantially increased volume of trades and have shortened the post-trading cycle as well as clearing time.





# Main Events



• **Dr. Yossi Bachar**, Director General of the Ministry of Finance; **Moshe Langerman**, Minister of Economic Affairs at the Embassy of Israel in London; **Zvi Heifetz**, Israeli Ambassador to the UK; **Prof. Yair Orgler** and **Dr. David Klein**, Governor of the Bank of Israel, at **Israel Opportunity 2004**.



• **Israel Makov**, President and CEO of Teva Pharmaceutical Industries, presents the company's Q2 results at the TASE Visitors' Center.



• **Israel Opportunity 2004**, the TASE's third Annual Conference for International Investors, held in London in cooperation with the local Israeli embassy.



• **Prof. Yair Orgler**; **Ami Erel**, President and CEO of Discount Investment Corporation; **Gavriel Meron**, President and CEO of Given Imaging; **Doron Birger**, Given's Chairman; **Adv. Avi Fischer** and **Saul Bronfeld** marking the dual-listing of Given Imaging.



• **Dr. Yossi Bachar**, Director General of the Ministry of Finance; **Ehud Olmert**, Minister of Industry, Trade and Labor; **Eyal Gabbai**, Director of the Government Companies Authority; **Miriam Mazar**, Chairperson of Bezeq, and **Amnon Dick**, Bezeq's CEO, marking another step towards the company's privatization.

# in 2004



• The European Union commercial attaches in Israel visit the TASE.



• **Saul Bronfeld** (right); **Talia Aharoni**, Maala's Managing Director; **Galia Maor**, President & CEO of Bank Leumi; **Moshe Tery**, Chairman of the Israel Securities Authority, and **Prof. Yair Orgler** marking the launch of the new Maala Social Responsibility Index.



• **Zvi Ziv**, President and CEO of Bank Hapoalim; **Shlomo Nehama**, Chairman of the Bank, and **Avi Harel**, Deputy CEO and a member of the Board of Management, at an Institutional Investors Conference of the Bank at the TASE.



• **Ilan Pacholder**, Corporate Vice President and Corporate Secretary, Elbit Systems (right); **Michael Federmann**, Chairman of the Board; **Joseph Ackerman**, President and CEO, with **Joseph Gaspar**, Corporate Vice President and CFO, at the investors' convention at the TASE Visitors' Center.



• **Michael** and **Ofra Strauss** celebrating the merger of Strauss and Elite with their families. Following the merger Strauss-Elite entered the TASE's TA-25 Index.



• TASE management visiting the Strauss dairy.

**THE BOARD OF DIRECTORS****CHAIRMAN**

Prof. Yair E. Orgler

**NOMINATED DIRECTORS**

Shuky Abramovitz		Clal Finance Batucha
Zeev Gutman	Yoram Sirkis	The First International Bank
Dov Gilboa	Eli Avraham	Bank Leumi Le-Israel
Eli Bihari	Zeev Milbauer	The Central Co./ IBI
Yossi Nitzani	Rami Tarom	United Mizrahi Bank
Yacov Rozen	Dror Nagel	Bank Hapoalim
Dr. Akiva Sternberg	Efraim Avraham	Union Bank of Israel

**OUTSIDE DIRECTORS**

Yoram Alster

Gil Bianco

Gittit Guberman

Dr. Zvi Lieber

Yossi Shachak

Nissim Cohen

Dr. Akiva Offenbacher

Saul Bronfeld

Eddy Azoulay

Ministry of Finance

Bank of Israel

**TASE MANAGEMENT****Saul Bronfeld** - Managing Director**Ester Levanon** - Executive Vice President, IT & Operations Department**Ronit Harel Ben-Ze'ev** - Senior Vice President, Listing & Economic Department**Yosi Levi** - Senior Vice President, Membership & Surveillance Department; Human Resources Department**Hagit Neeman** - Senior Vice President, General Counsel and Corporate Secretary**Dror Shalit** - Senior Vice President, Trading and Clearing Department**Yoni Shemesh** - Senior Vice President, IT & Operations Department**Yossi Treister** - Senior Vice President, Administration Department**TASE MEMBERS****BANKS**

Bank Hapoalim  
 Bank Leumi Le-Israel  
 Bank of Israel  
 Bank of Jerusalem  
 Bank Otsar Ha-Hayal  
 Israel Discount Bank  
 Mercantile Discount Bank  
 First International Bank of Israel  
 UBank  
 Union Bank of Israel  
 United Mizrahi Bank

**BROKERAGE FIRMS**

Analyst Exchange & Trading Services  
 Clal Finance Batucha Investment Management  
 Deutsche Securities Israel  
 Direct Investments House (Portfolio Management)  
 DS Securities & Investment  
 Harel Investment House  
 Israel Brokerage and Investments I.B.I  
 Menorah Gaon Investment House  
 Excellence Nessuah Brokerage Services  
 Poalim Sahar  
 Psagot Ofek Investment House  
 Solomon Capital Markets  
 The Central Co. Stock Exchange Services (N.E.)  
 UBS Securities Israel

**TABLE 3: TA-25 INDEX COMPANIES - JANUARY 1, 2005**

Security name	Market capitalization (US \$ millions)	Weighting*
1. Teva	18,721	9.50%
2. Bank Hapoalim	4,243	9.50%
3. Bank Leumi	3,870	9.43%
4. Bezeq	3,043	7.42%
5. Israel Chemicals	2,919	7.12%
6. Makhteshim-Agan	2,161	5.27%
7. Migdal Insurance	1,707	4.16%
8. Partner	1,577	3.85%
9. IDB Development	1,556	3.79%
10. Israel Corporation	1,525	3.72%
11. Africa	1,411	3.44%
12. Bank Discount	1,247	3.04%
13. Discount Investment	1,165	2.84%
14. Clal Insurance	1,108	2.70%
15. Elbit Systems	1,079	2.63%
16. Osem	1,076	2.62%
17. Strauss-Elite	1,032	2.52%
18. Given Imaging	1,000	2.44%
19. Bank Mizrahi	900	2.19%
20. Harel Insurance	879	2.14%
21. Agis	848	2.07%
22. IDB Holdings	813	1.98%
23. Delek Group	809	1.97%
24. Alvarion	781	1.90%
25. Clal Industries	724	1.76%
<b>TOTAL</b>	<b>56,194</b>	<b>100.00%</b>

\*Weighting is adjusted according to the 9.5% cap

**TABLE 4: MOST ACTIVELY TRADED SHARES, 2004**

Security name	Daily turnover (US \$ thousands)	Security name	Daily turnover (US \$ thousands)
1. Teva	15,061	11. IDB Holdings	2,486
2. Bank Hapoalim	11,721	12. Elbit Systems	2,308
3. Bank Leumi	7,811	13. Bank Mizrahi	1,987
4. Makhteshim-Agan	5,519	14. Discount Investment	1,865
5. Israel Chemicals	4,676	15. Given Imaging	1,804
6. Bezeq	3,979	16. Lipman	1,775
7. Agis	3,872	17. Tadiran Commun.	1,759
8. IDB Development	2,775	18. Nice	1,749
9. Partner	2,555	19. Koor	1,730
10. Bank Discount	2,537	20. Alvarion	1,628

**TOTAL 79,597 - 61% OF TOTAL TURNOVER**

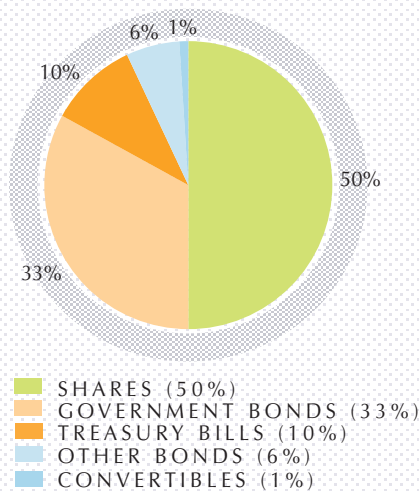


**TABLE 5: DAILY TURNOVER, 1995-2004<sup>(1)</sup>**  
(US \$ millions)

Year	Shares & convertibles	Bonds	Treasury Bills
1995	37	36	47
1996	33	56	35
1997	59	55	27
1998	62	78	37
1999	86	63	39
2000	115	74	48
2001	64	131	50
2002	51	159	78
2003	80	160	107
2004	147	214	140
Change in 2004	84%	34%	31%

<sup>(1)</sup> Including off-the-floor transactions.

**MARKET CAPITALIZATION OF LISTED SECURITIES, 2004**



**TABLE 6: MARKET CAPITALIZATION OF LISTED SECURITIES, 1995-2004**  
(US \$ billions)

Year	Shares & convertibles	Bonds	Total
1995	36.5	36.9	73.4
1996	35.9	40.7	76.6
1997	46.4	40.9	87.3
1998	40.9	37.4	78.3
1999	65.4	39.7	105.1
2000	66.8	41.4	108.2
2001	57.6	44.0	101.6
2002	42.6	45.0	87.6
2003	70.4	57.6	128.0
2004	92.1	69.5	161.6

**TABLE 7: CAPITAL RAISED BY SECURITY TYPES, 1995-2004**  
(US \$ millions)

Year	Shares & convertibles <sup>(1)</sup>	Government Bonds	Other Bonds
1995	733	4,928	-
1996	760	7,621	15
1997	2,158	5,008	356
1998	2,116	6,561	592
1999	1,504	6,397	383
2000	3,320	5,096	67
2001	1,327	9,385	639
2002	1,206	9,529	999
2003	746	9,681	1,386
2004	3,636	8,026	3,247
Change in 2004	387%	(17%)	134%

<sup>(1)</sup> Including direct offers, private placements, exercise of warrants and issues of dual-listed companies floated in the U.S and Europe.



**TABLE 8: ANNUAL YIELDS OF THE EQUITY INDEXES 1995-2004**  
(in US \$ terms)

Year	General Share Index	TA-25	TA-100	Other Shares	Tel-tech
1995	9.7	18.4	15.7	(2.2)	-
1996	(4.5)	(2.1)	(2.4)	(8.9)	-
1997	24.3	27.5	26.8	17.9	-
1998	(12.4)	(13.8)	(12.4)	(12.1)	-
1999	64.7	57.5	62.7	73.4	150.5
2000	3.1	7.3	3.2	(4.1)	(31.3)
2001	(14.6)	(17.0)	(16.4)	(6.6)	(33.9)
2002	(25.3)	(32.2)	(30.6)	(25.3)	(42.9)
2003	68.1	63.3	73.9	60.7	138.1
2004	19.5	24.6	21.0	33.8	17.9

**TABLE 9: ANNUAL YIELDS OF THE BOND INDEXES, 1995-2004**  
(in US \$ terms)

Year	General Bond Index	CPI Linked Bonds	Non Linked Bonds	Dollar Linked Bonds
1995	5.2	5.2	13.0	5.3
1996	9.1	9.5	12.8	6.2
1997	3.3	2.4	7.0	4.3
1998	(7.2)	(8.8)	(5.2)	3.4
1999	6.5	4.9	14.0	4.2
2000	7.4	5.0	15.1	5.9
2001	3.6	5.3	0.7	3.0
2002	(6.7)	(6.0)	(9.0)	0.8
2003	22.9	19.5	29.5	3.0
2004	7.1	6.8	7.3	2.3



## MAIN INDICATORS 2002-2004

### THE TEL-AVIV STOCK EXCHANGE

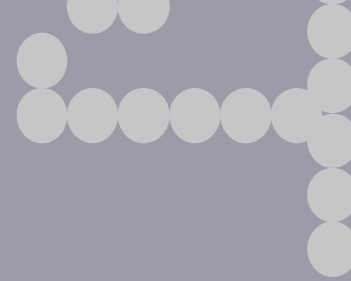
	2002	2003	2004
<b>ANNUAL DOLLAR YIELD</b>			
TA-25 Index	(32.2%)	63.3%	24.6%
TA-100 Index	(30.6%)	73.9%	21.0%
Tel-tech Index	(42.9%)	138.1%	17.9%
General Share Index	(25.3%)	68.1%	19.5%
General bond Index	(6.7%)	22.9%	7.1%
<b>DAILY TURNOVER (US \$ millions)</b>			
shares and convertibles	51	80	147
Bonds	159	160	214
Treasury Bills	78	107	140
TA-25 Index options (thousands of contracts)	118	120	153
Dollar Option (thousands of contracts)	46	34	24
<b>CAPITAL RAISED (US \$ billions)</b>			
Shares and convertibles	1.2	0.7	3.6
Government Bonds-Gross	9.5	9.7	8.0
Other Bonds	1.0	1.4	3.2
<b>MARKET CAPITALIZATION (US \$ billions)</b>			
Shares and Convertibles	42.6	70.4	92.1
Government Bonds	41.6	52.5	58.7
Other Bonds	3.4	5.1	10.8
<b>NUMBER OF LISTED COMPANIES</b>			
	624	577	578

### MAJOR WORLD STOCK EXCHANGES' INDEXES

	2002	2003	2004
DOW-JONES Index	(16.8%)	25.3%	3.1%
NASDAQ Index	(31.5%)	50.5%	8.6%
FTSE 100 Index	(16.0%)	26.4%	15.7%
DAX Index	(33.5%)	64.8%	16.1%
NIKKEI 225 Index	(9.9%)	38.1%	12.2%

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