



TEL-AVIV STOCK EXCHANGE

2010

Annual Summary

Press Conference

January 13, 2011

2010 – Numbers and Figures

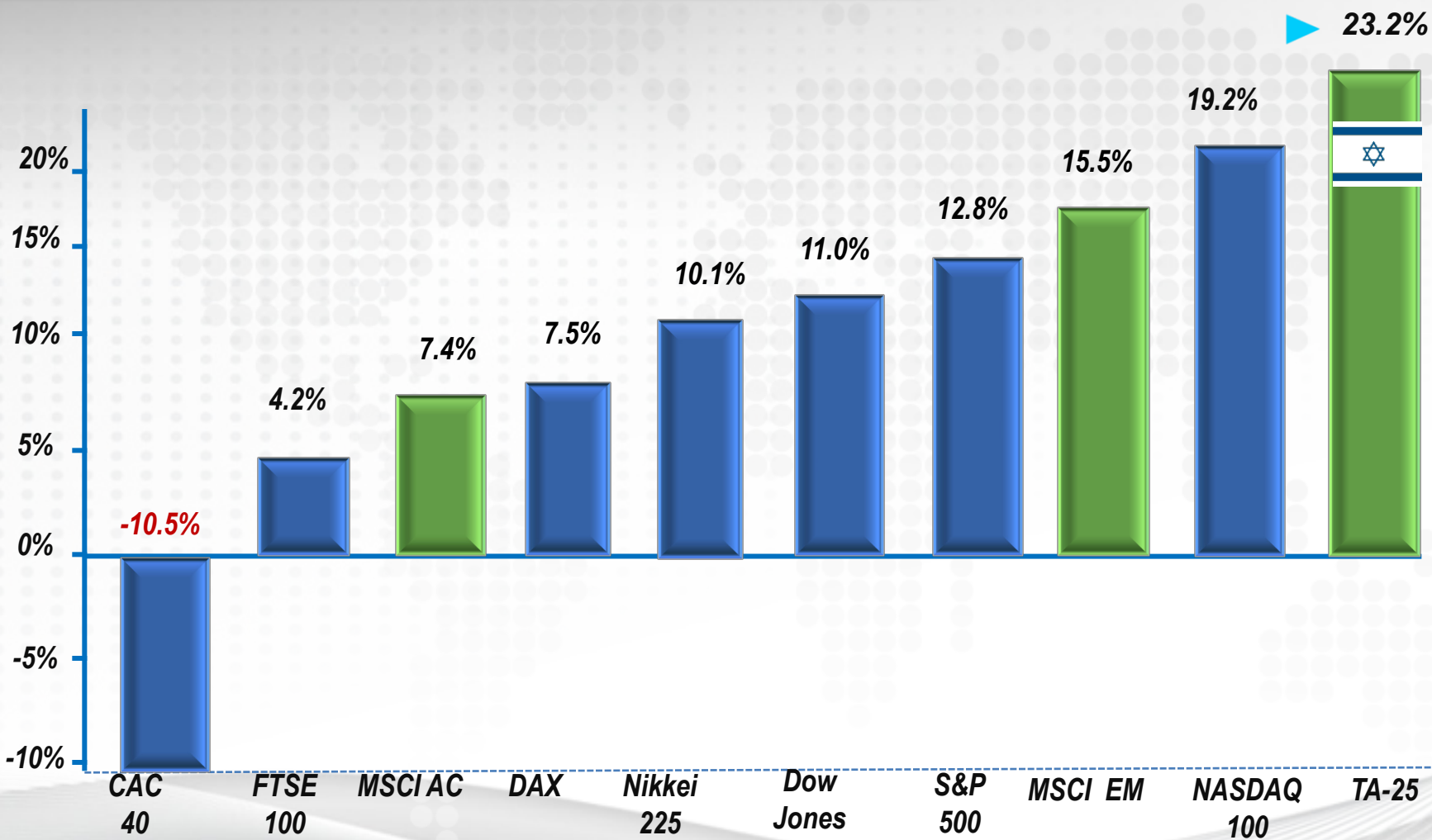
- ✓ 23% increase in the TA-25 index (In US \$ terms)
- ✓ Increase in turnover of shares & derivatives
- ✓ Decrease in turnover of bonds
- ✓ 96% jump in turnover of T-bills (MAKAM)
- ✓ Increase in equity and debt offerings
- ✓ Record turnover: US \$ 4.4 billion

May 26, 2010 – day MSCI upgrade went into effect



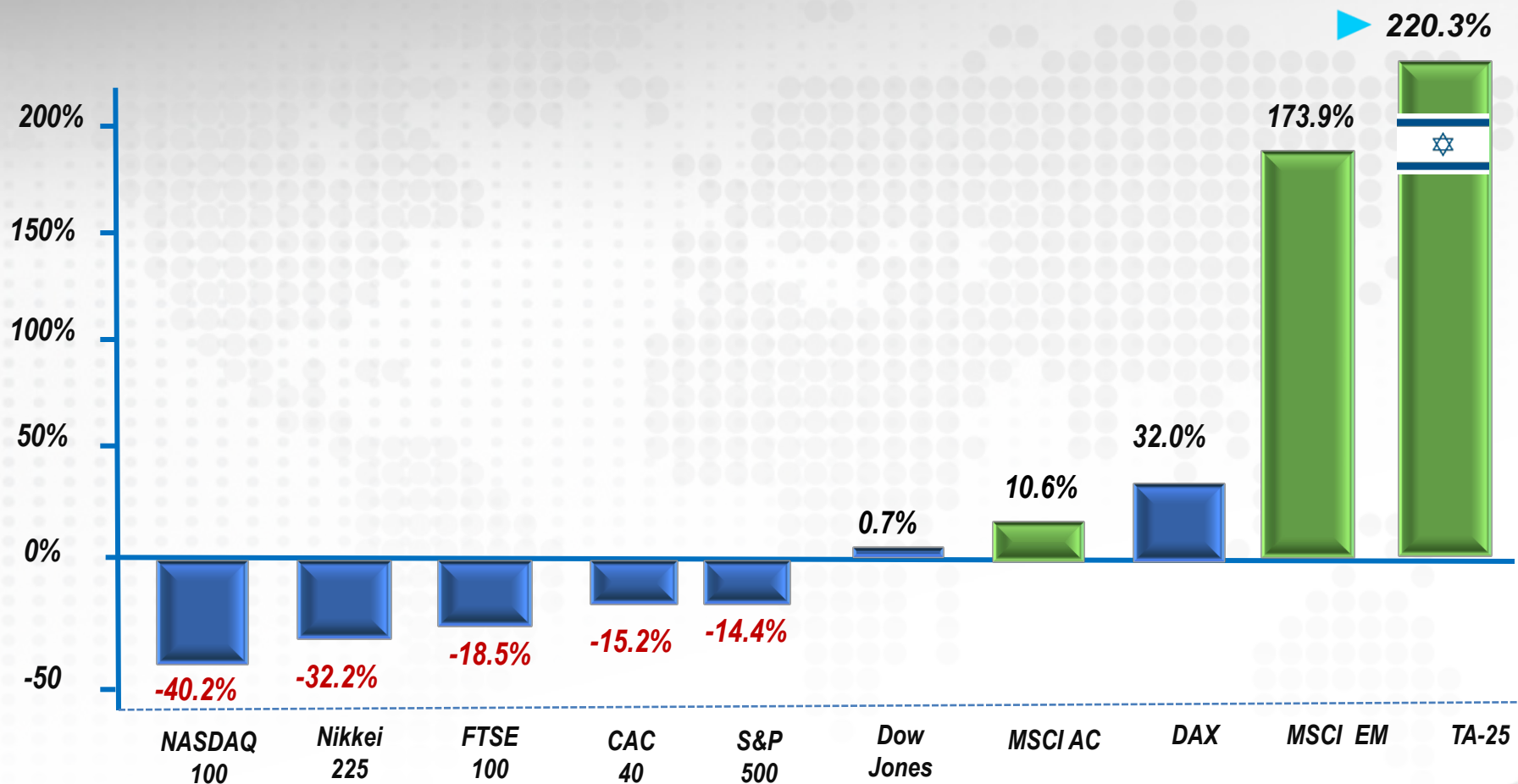
TA-25 & International Indices 1-12/2010

■ In USD terms



TA-25 & International Indices 2000-2010

■ In USD terms



Mission Statement

TASE will promote Israel's capital market and its listed companies in Israel and abroad, through the provision of the most highly advanced infrastructure for securities trading and clearing, adhering to the highest standards of excellence and guided by principles of market integrity; and will endeavor to position itself and Israel as an international financial center for the listing and trading of technology companies.



Key Projects 2010/2011

- ✓ Improvement of trading and clearing systems
- ✓ Development of new products
- ✓ Positioning TASE as financial hub for tech companies
- ✓ International marketing activity
- ✓ Supervision of TASE members
- ✓ Risk management




Trading System Improvements

- ✓ TACT System upgrade – performance improvements
- ✓ Crash Flash protection – examining mechanisms for limiting securities price fluctuations
- ✓ Next generation trading system



Clearing House Improvements

- ✓ TASE clearing house rating raised to A+ 
(Thomas Murray)
- ✓ Transition to T+1 clearing completed
- ✓ Upgrade of the margin model
- ✓ Risk assessment of MAOF Clearing house will be conducted
- ✓ Establishment of new clearing working station



Indices & Exchange Traded Index Products

2010

- ✓ Upgrade of index methodology & alignment with international practices
- ✓ Opening the market to new issuers
- ✓ Launch of Biomed share price index
- ✓ Israeli ETFs in conjunction with the ISA (TBC 2011)

2011

- ✓ New high-tech indices to serve as underlying assets for ETNs:
50 leading technology companies index and composite tech index
- ✓ New share price indices: insurance, oil & gas, communications
- ✓ Variable rate NIS-denominated corporate bond index
- ✓ Examination of the business potential of a VIX index
- ✓ Promotion of foreign ETFs & derivatives on TA-25 index



New Products

- ✓ Launch of cash-settled options & futures on government SHAHAR bonds (Q2)
- ✓ Extension of stock option market by adding further underlying assets
- ✓ Examination of introducing government bond strips by TASE Clearing House



TASE as a Hub for Tech Companies

- ✓ Analyst coverage project
- ✓ Mapping private high-tech companies
- ✓ Launching new technology share price indices
- ✓ Joint Biomed conference with NASDAQ
- ✓ **Promotion of regulatory issues:**
 - English as a reporting language
 - US-GAAP reporting rules (US-incorporated entities)
 - Tax benefits for investors in tech company IPOs



High-Tech Companies

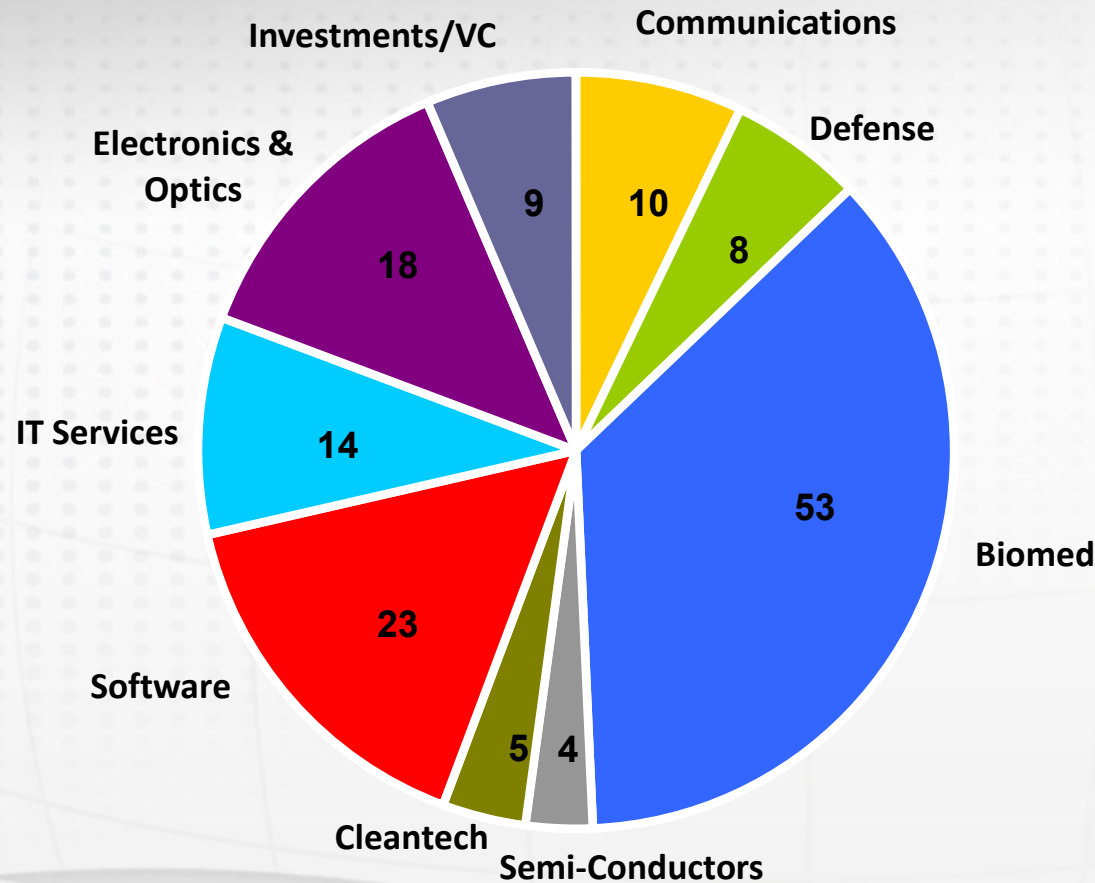
■ 144 Companies

18 Tech companies joined TASE in 2010:

15 Biomed

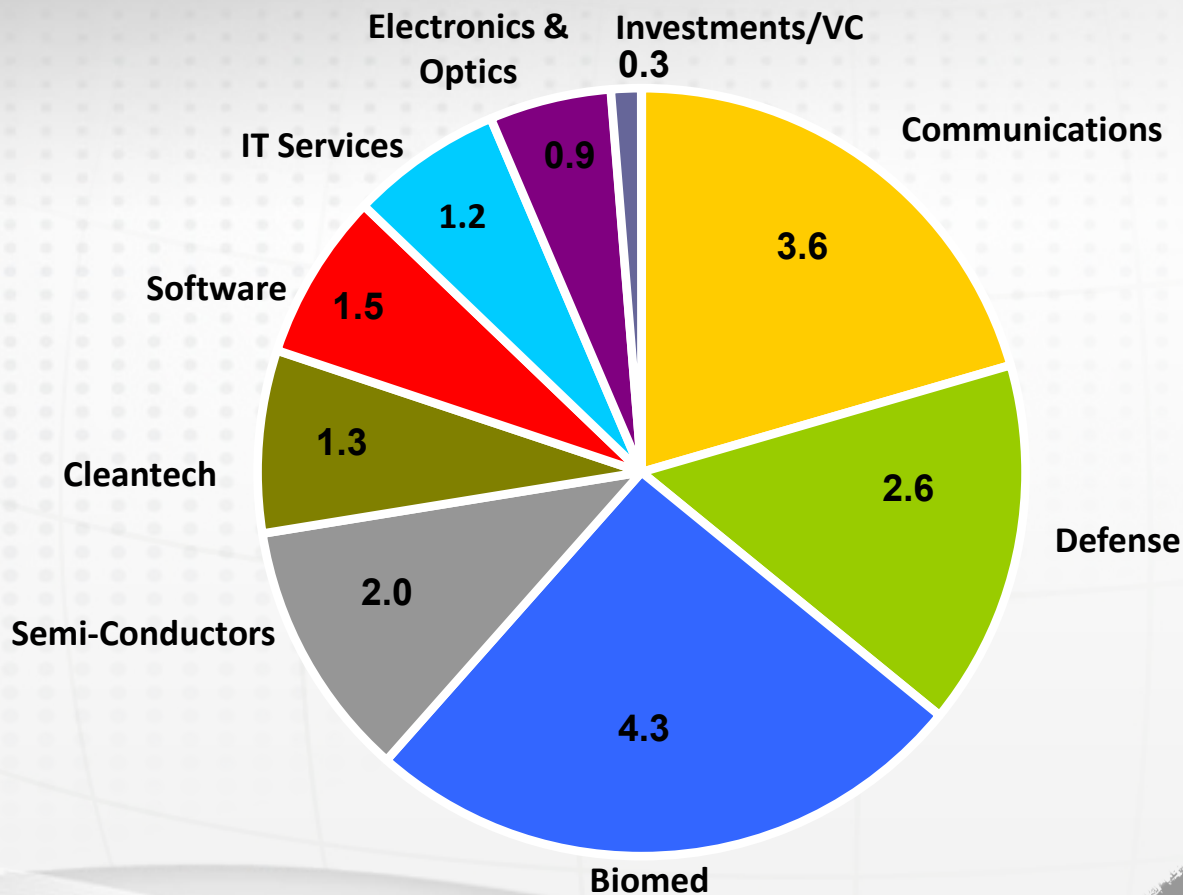
3 High-tech

7 companies delisted



High-Tech Companies

Market Cap 17.8 B\$



TASE International Activity

- ✓ Foreign investor-directed activity
- ✓ Promoting admittance of foreign members to TASE
- ✓ Accession to FESE as “Observer Member”



Supervision of TASE Members

- ✓ New capital adequacy requirements for non-bank TASE members
- ✓ Assurance of non-bank TASE member stability
 - Update of securities' "haircut"
 - Update of provisions for custodian activity through non-bank members
- ✓ TASE Membership
 - Promoting the admittance of new foreign TASE members
 - Mergers and membership cancellation of existing TASE members
- ✓ Non-bank members preparedness for emergency conditions

Risk Management

- ✓ Appointment of Chief Risk Officer (CRO)
- ✓ Mapping main critical risk areas at TASE
- ✓ Risk assessments
 - Update of TASE Clearing House risk assessment conducted by the Thomas Murray Company - 2010
 - Operational risk assessments on the IT systems of TASE clearing houses – 2010
 - Risk assessment of MAOF Clearing House - 2011



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THANK YOU

